



Labour Migration in times of labour shortages in Luxembourg (January 2021 to June 2024)

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The European Migration Network, created by Council Decision no.

2008/381/EC of 14 May 2008, has the objective of supplying up-to-date, objective, reliable and comparable information on migration and asylum in the Community institutions, to the authorities and institutions of the Member States and to the general public with a view to support policy- and decision-making with the European Union.







Preface

The opinions expressed in this report are those of the authors. They do not necessarily reflect the positions of the Luxembourg Ministry of Family Affairs, Solidarity, Living Together and Reception of Refugees.

The present report was drafted by Adolfo Sommarribas and Nicole Holzapfel-Mantin, staff members of the National Contact Point Luxembourg within the European Migration Network, under the overall responsibility of Prof. Dr. Birte Nienaber. We are grateful for the continuous support provided by the members of the national network of the National Contact Point Luxembourg: Sylvain Besch (CEFIS), Charlotte Rauchs (General Department of Immigration, Ministry of Home Affairs), François Peltier and Charlie Klein (STATEC), Anne Daems, Pierre Weiss (Department of Integration, Ministry of Family Affairs, Solidarity, Living Together and Reception of Refugees), Pascale Millim (Ministry of Justice) and Pietro Lombardini (National Reception Office, Ministry of Family Affairs, Solidarity, Living Together and Reception of Refugees).

Methodology

National reports are produced by the respective National Contact Points (NCPs) on the legal and policy situation in their Member State according to common specifications. Subsequently, a comparative synthesis report is generated by the European Commission with its service provider giving the key findings from each national report, highlighting the most important aspects, and placing them as much as possible within an EU perspective. The various national accounts and the summary report are made publicly available.

The EMN engages primarily in desk research, i.e. it collects and analyses data and information already available or published at the Member State or international level. Legal texts, official documents (such as parliamentary documents) and reports have been used for this study. Furthermore, experts from the General Department of Immigration at the Ministry of Home Affairs, Ministry of Education, Children and Youth (MENEJ), the Ministry of Economy, the Ministry of Health and Social Security, the Chamber of Employees, the National Employment Agency (ADEM), and CEFIS have been consulted.

<u>Disclaimer</u>: The following information has been provided primarily for the purpose of contributing to this EMN study. The EMN Luxembourg has provided information that is, to the best of its knowledge, up-to-date, objective, and reliable within the context and confines of this study. The information may thus not provide a complete description and may not represent the entirety of the official policy of Luxembourg.

SUMMARY

The general approach of the Luxembourg Government aims to maintain Luxembourg's attractiveness for foreign talent and especially to tackle labour shortages across the economy as a whole. It is critical that immigration continues to serve the national interest by responding to the labour market needs and also allowing the attraction of talent in higher education. Luxembourg's current labour migration policy approach of Luxembourg continues to be demand-driven, and it answers to acute shortages.

Luxembourg has chosen to approach the issue of labour and skill shortages in several ways, one of them being labour migration. It has recently amended several laws, which facilitate the hiring of third-country nationals, for example by means of an annually updated list of professions that are in high demand and in very short supply. Further, the labour market test for occupations, which do not face acute shortage also was simplified allowing the employer to obtain the required certificate much faster. With the dual aim of meeting the needs of the labour market and simplifying administration, the labour market test has been abolished and thereby ensuring 'free access' to the labour market for holders of a family member residence permit, applicants for international protection after a six-month waiting period, beneficiaries of a deferment of removal, and beneficiaries of a suspension of removal.

In addition, the Luxembourgish Government has initiated several initiatives and measures to tackle labour and skill shortages, such as the very recently established the High Committee for the Attraction, Retention and Development of Talent, which is chaired by the Minister for Economic Affairs. The Government Council has also approved a roadmap for the elaboration of a national strategy for the attraction, development and retention of talent, the "Luxembourg Talents Hub". In July 2024, the Government committed to simplifying administrative procedures related for hiring of seasonal and casual workers, particularly in the areas of specialty crops and viticulture and invited stakeholders to the first edition of a "Wäibaudësch" (viticulture table). Several websites, such as the Work-in-Luxembourg-platform (which will be replaced in 2025) to target foreign talent exist as well.

Luxembourg offers an impatriate tax regime already since 2011 and continuously updates it. This fiscal policy is specifically designed to help local businesses recruit highly qualified workers from around the world. The latest version has become effective on 1 January 2021 and the Government will introduce a more favourable impatriate scheme, which will come into effect on 1 January 2025.

Luxembourg has also signed an agreement on management of migration flows and solidary development with Cabo Verde in 2015 and works are currently ongoing to implement this agreement.

Five legal entry pathways allow foreign workers to come to and work in Luxembourg exist: Salaried Worker (low and medium skills, non-qualified and qualified worker), Blue Card Holder (highly skilled workers), ICT (Medium and high skill levels), researchers (high level), self-employed worker (medium/high skill).

The Luxembourgish Government has also implemented polices and other measures to positively impact the retention of foreign talent, for example the validity of the residence permit for personal reasons for the search of an employment or the creation of a business from 9 to 12 months has been extended, the newly established High Committee for the Attraction, Retention and Development of Talent will be examining the various strategic areas, the number of public (i.e. free of charge) international schools is continuously increased, professional development courses

are more and more often offered in French and English.

However, (the retention of) foreign talent in Luxembourg faces also challenges. Foreign workers might have trouble with finding affordable housing, with schooling as the demand for public international schools is much higher than the actual number of available spaces, with language as the knowledge of at least one of the three official languages is at least a strong asset or help in daily life, with recognition of foreign qualifications and diplomas. On the administrative side, matching skills with the right job offer is often seen as a challenge.

Public debates in Luxembourg are mostly reflected in discussions of bills (e.g. Bill 8227, or list of occupations in short supply), national action plans (such as the National Health Plan) and other documents (e.g. Coalition Agreements).

Many of Luxembourg's good practices with respect to its labour migration policy are still very new and it is thus difficult to provide meaningful feedback just yet.

1: OVERVIEW OF LABOUR SHORTAGES DEBATE AND CONCEPTUALISATION

1.1 Definition of the terms 'labour shortage' and 'shortage occupation'

In Luxembourg, "labour shortage" and "shortage occupation" are not defined by law.

Article L. 622-4 (5) of the Labour Code as amended by the Law of 7 August 2023¹ establishes that the Luxembourg National Employment Agency (ADEM) publishes a list of occupations in short supply every year. On 27 September 2023 the first list of occupation experiencing a severe shortage (Reference year 2022) was published.² The latest list of occupations experiencing a severe shortage - Reference year 2023 was published on 4 April 2024.³

This list specifies the jobs (and their sub-appellations) that are in high demand and for which very few or no candidates are available from ADEM.⁴ There are now 24 occupations on the list published in 2024, compared with 30 occupations in the list of 2023.⁵

This list must be updated every first quarter, based on objective data from the previous year: a) the number of vacancies declared to ADEM, b) the number of jobseekers registered for the same job and c) the number of declared vacancies for which it has not been possible to find a candidate matching the required profile.⁶

More specifically:

A profession is considered "in severe shortage" if the following conditions are met for the previous year (2023):

- 1) >= 84 positions declared
- 2) <0.8 registered job seekers per declared position and >25% of offers without assigned candidates OR <0.35 registered job seekers per declared position and >10% of job offers without candidates assigned

A profession is considered "in shortage" if the following conditions are met for the previous year (2023):

- 1) >= 24 positions declared
- 2) <0.7 registered job seekers per declared position and >25% of offers without assigned candidates OR <1.1 registered job seekers per declared position and >15% of job offers without candidates assigned.⁷

As stipulated by the Law of 7 August 2023, for professions listed as shortage professions, ADEM will no longer be required to conduct a job market test. In such cases, the certificate will be issued within five days of receiving the application.⁸

Law of 7 August 2023 amending the

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¹ Law of 7 August 2023 amending: 1° the Labour Code; 2° the amended law of 29 August 2008 on the free movement of persons and immigration; 3° the amended law of 18 December 2015 on the reception of applicants for international protection and temporary protection.

² List of occupations experiencing a severe shortage - Reference year 2022, published in Mémorial B-3215 of 27 September 2023. URL: https://legilux.public.lu/eli/etat/adm/pa/2023/09/26/b3215/jo This list was abrogated by the list published in 2024.

³ List of occupations experiencing a severe shortage - Reference year 2023, published in Mémorial B-1569 of 4 April 2024. URL: https://adem.public.lu/content/dam/adem/fr/publications/adem/metiers-penurie.pdf

⁴ ADEM, La liste 2024 des métiers très en pénurie est publiée, 5 April 2024. URL: <a href="https://adem.public.lu/fr/actualites/adem/2024/04/metiers-penurie.html#:":text=Cette%20liste%20%C3%A9tablit%20les%20emplois%20%28ainsi%20que%20leurs,figurer%20sur%20cette%20liste%2C%20contre%2030%20l%E2%80%99an%20dernier.

⁵ List of occupations experiencing a severe shortage - Reference year 2022, published in Mémorial B-3215 of 27 September 2024. URL: https://legilux.public.lu/eli/etat/adm/pa/2023/09/26/b3215/jo This list was abrogated by the list published in 2024.

⁶ ADEM, La liste 2024 des métiers très en pénurie est publiée, 5 April 2024.

ADEM, New law facilitates the recruitment of third-country nationals, Press release, 1 September 2023, URL:

https://adem.public.lu/en/actualites/adem/2023/09/metiers-penurie.html

⁷ ADEM, JobInsights.lu (pop ups on mouseovers), URL:

 $[\]frac{https://app.powerbi.com/view?r=eyJrIjoiMGRiNGJjMzMtY2ZkNi00ZmRILTIjYTgtMDI3NmQyY2VkMjkwliwidCl6ImNmZjViYTQyLWNIZDktNDA2NS04Mjl2LTBjODl4YjM4M2RjNSIsImMi0jl9&embedImagePlaceholder=true$

ADEM, New law facilitates the recruitment of third-country nationals, Press release, 1 September 2023, URL: https://adem.public.lu/en/actualites/adem/2023/09/metiers-penurie.html

⁽¹⁾ Labour Code;

1.2 Sectors affected the most by labour shortages

The list of occupations in short supply is not based on a summary of statistical data but on objective data of the previous year (see answer to Q.1). The professions concerned are mainly in the sectors of finance, IT, engineering, health and personal care, qualified occupations in construction, social work, and corporate support services (human resources, accounting, auditing and legal consultancy).⁹

Table: Occupations in short supply in Luxembourg 2022 – 2023

Occupations in short supply	2022	2023
C1202 – Credit analysis and banking risks	Χ	Χ
C1206 – Banking customer management	Χ	Χ
C1301 – Financial Markets Front Office	Χ	Х
C1302 – Back and middle office management financial markets		Х
F1610 – Roofing Installation and Restoration	Χ	Х
F1611 - Façade Construction and Restoration	Х	
H1206 – Management and engineering studies, research and industrial development	Х	Х
H2502 – Production management and engineering	Х	Х
H2903 – Machining Equipment Operation	Х	
I1304 – Installation and maintenance of industrial and operating equipment	Х	Х
I1305 – Electronic installation and maintenance	Х	
J1501 – Patient hygiene and comfort care	Х	Х
J1506 – General nursing care	Х	Х
K1104 – Psychology	Х	Х
K1201 – Social Work	Х	Х
K1202 – Early Childhood Education	Х	Х
K1207 – Socio-educational intervention	Х	Х
K1903 – Legal defence and advice	Х	Х
K2402- Research into the universe, matter and life sciences	Χ	
M1201 – Financial analysis and engineering	Х	Х
M1202 – Accounting and Financial Audit and Control	Χ	Х
M1203 - Accounting	Χ	Х
M1204 – Management Control	Χ	Х
M1402 – Business organisation and management consultancy	Χ	
M1502 – Human Resources Development	Χ	Χ
M1703 – Product Management	Χ	
M1801 – Information Systems Administration	Χ	Х
M1802 – Information systems expertise and technical support	Χ	Х
M1805 – Computer design and development	Χ	Х
M1806 – Information systems consulting and project management	Χ	X

Please note: This table compares the two lists. However, it does not include the underlying designations and the excluded designations. Source: Lists of occupations in serious shortage 2022, 2023 © Université du Luxembourg 2024.

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⁽²⁾ amended Law of 29 August 2008 on the free movement of persons and immigration;

⁽³⁾ amended Law of 18 December 2015 on the reception of applicants for international protection and temporary protection. Published in Memorial A556 of 28 August 2023, URL: https://legilux.public.lu/eli/etat/leg/loi/2023/08/07/a556/jo

⁹ Ibid.

1.3 Discussion or public debate regarding labour migration in the context of labour shortages, as well as alternatives to labour migration since 2021

Public debates in Luxembourg are mostly reflected in discussions of bills (e.g. Bill 8227, or list of occupations in short supply), national action plans (such as the National Health Plan) and other documents (e.g. Coalition Agreements).

Bill 8227

The discussion of Bill 8227, which became Law of 7 August 2023, which amends article L. 622-4 (5) of the Labour Code and established the list of occupation in short supply, was limited. The Council of State in its first legal opinion¹⁰ and the complementary legal opinion¹¹ did not mention it.

ADEM's list of occupations in short supply

Regarding the discussion on the list of occupations in short supply, the Chamber of Commerce and the Chamber of Skilled Trades and Crafts, but not the Chamber of Employees, provided comments. ¹² The Chamber of Commerce welcomes the measure, but it points out that annual updates of this list might not suffice. The Chamber worries that this could lead to a mismatch with actual needs, as in the case of emerging professions in the field of new technologies, where needs can change rapidly. The annual frequency could act as a brake on the country's competitiveness ¹³ and the Chamber of Commerce wonders whether it would be possible to introduce a derogation allowing an employer to justify the difficulty in filling a position even though it is not on the list of positions in great shortage. However, this suggestion was not taken on board. ¹⁴

The same arguments were brought up by the Chamber of Skilled Trades and Crafts. ¹⁵ Another concern expressed during the discussion, was that the certificate can only be requested once for each vacant post. This could potentially lead to problems as the legislator did not foresee the possibility to reissue or reapply for it in case the General Department of Immigration refuses the authorisation of stay and the position may not be filled. ¹⁶ There was no other discussion, and the bill was approved on 19 July 2024.

National Action Plans

Labour and skill shortages in Luxembourg affect manifold sectors and skill levels. They pose multiple challenges and thus require multilayered strategies, which combine mixed measures as response.

The Health Plan, published in 2023 by the previous Government¹⁷, addresses, inter alia, the issue of labour shortage in the healthcare sector. Based on meetings with relevant stakeholders, it proposes e.g. the external recruitment of talent and professionals while mobilizing internal potential, making professions more attractive and adapting training, working conditions, valorisation.¹⁸

¹⁰ Parliamentary document n°8227/01 of 13 June 2023. URL: https://wdocs-pub.chd.lu/docs/exped/0141/139/283393.pdf

¹¹ Parliamentary document n° 8227/03 of 11 July 2023. URL: https://wdocs-pub.chd.lu/docs/exped/0142/159/285592.pdf

¹² See https://www.chd.lu/fr/dossier/8227.

¹³ Parliamentary document n° 8227/05 of 12 July 2023, p. 2. URL: https://wdocs-pub.chd.lu/docs/exped/0142/175/285756.pdf

¹⁵ Parliamentary document n° 8227/06 of 18 July 2023, p. 2. URL: https://wdocs-pub.chd.lu/docs/exped/0143/038/286382.pdf

¹⁶ Ibid

¹⁷ Ministry of Health, Ministry of Social Security, Plan National Santé, 30 June 2023, URL: https://sante.public.lu/dam-assets/fr/publications/p/plan-national-sante-2023/minsante-rapport-plan-national-sante.pdf

¹⁸ Ministry of Health, Ministry of Social Security, Plan National Santé, 30 June 2023, p. 5, 35, 40, URL: https://sante.public.lu/dam-assets/fr/publications/p/plan-national-sante-2023/minsante-rapport-plan-national-sante.pdf

Coalition Agreements

The shortage of qualified workers was already mentioned in the Coalition Agreement for the legislative period 2018-2023 and several measures were proposed as well. 19 The new Government's 2023-2028 Coalition Agreement²⁰ addressed some of the issues linked to labour shortages. The Agreement also listed several migration related as well as alternative measures as potential responses to this challenge. The coalition agreement connects the attraction of talent and labour shortages to competitiveness. To answer to the labour shortages in qualified professions, the Agreement considers it as urgent to adopt a roadmap to attract the required talent. The Government proposes the creation of an interministerial committee in charge of coordination of the efforts of the relevant ministries and administrations, to draft a national strategy to attract, develop and retain talent. At the same time, the Government intends to review and potentially adapt the administrative procedures and conditions for third country workers to obtain a residence permit.²¹

- One of the goals set in the Coalition Agreement (2023-2028) is to tackle the shortage of nurses and care givers²² by planning to develop innovative human resources models and working environments in residential establishments (care facilities) for recruiting and retaining competent and committed staff.²³ Regarding the shortage of medical professionals, the Government announced the introduction of incentives to make the health professions more attractive as well as the revision of several training programmes. 24 More specifically, it foresees the evaluation of the creation of a 'nurse' training course intermediate between the 'nursing assistant' level and the 'Bachelor' level and will analyse the possibility of putting in place gateways enabling access to a healthcare profession based on higher-level training. For certain professions, the possibility of continuing education will be explored. 25 Regarding the mental health professions, the Government wants to valorise these professions especially in the areas of psychiatry and pedopsychiatry. In order to increase the number of mental health professionals, the Government intends to review how the profession of psychologist is regulated and to make any necessary adjustments. ²⁶ The government also insists on tackling the shortages of occupational physicians.²⁷
- Enhancing the employability of people granted international protection is a priority. The Government foresees that four months after submitting their application for international protection, applicants for international protection (AIPs) will be able to conclude an employment contract in fields where there is a significant labour shortage.²⁸
- Complementary to immigration measures to mitigate this challenge, the Government proposes to develop additional measures to reskill and upskill the capacities of the existing workforce in order to help employees adapt to the demands of changing work environments.²⁹ Offers to reskill are open to Luxembourgish citizens and non-Luxembourgish residents alike (mainstream), for example

¹⁹ Luxembourg Government, Coalition agreement 2018-2023, 3 December 2018, p. 130/131 URL: https://gouvernement.lu/damassets/fr/publications/accord-coalition/2018-2023/Accord-de-coalition-2018-2023.pdf

²⁰ Luxembourg Government, Coalition agreement 2023-2028 "Lëtzebuerg fir d'Zukunft stäerken", 16 November 2023. URL : $\underline{https://gouvernement.lu/fr/publications/accord-coalition/accord-de-coalition-2023-2028/accord-de-coalition-2023-2028.html}$

²¹ Government of Luxembourg, Accord de Coalition 2018-2023, p. 148, URL: https://gouvernement.lu/dam-assets/fr/publications/accordcoalition/2018-2023/Accord-de-coalition-2018-2023.pdf

²² Ibid., p. 72 & 91.

²³ Ibid.

²⁴ Ibid., p. 91.

²⁵ Ibid. ²⁶ Ibid., p. 93.

²⁷ Ibid., p. 179.

²⁸ Ibid., p. 187.

²⁹ Luxembourg Government, Coalition agreement 2023-2028 "Lëtzebuerg fir d'Zukunft stäerken", 16 November 2023. URL : https://gouvernement.lu/fr/publications/accord-coalition/accord-de-coalition-2023-2028/accord-de-coalition-2023-2028.html, p. 128/175

- the Digital Skills and Jobs Coalition Initiative (2017) (https://digitalskills.lu/). This initiative brings together more than 500 public and private sector actors to identify concrete measures to raise digital skills in Luxembourg.
- ADEM'S recent cooperation with Babbel: The Luxembourg job market is very multilingual and knowledge of at least two of the most common working languages (French, Luxembourgish, English, and German) is often critical for a successful job application. In April 2024, ADEM and the subscription-based language learning software Babbel partnered to start their first pilot project for which ADEM has received support and co-financing from the European Social Fund Plus (ESF+) (2021-2027 "investing in the future" program) and the Ministry of Labour. 30 For the period 2024-2025, ADEM has access to a total of 4 800 Babbel-licenses to distribute free of charge to job seekers registered with ADEM. ADEM can distribute 200 Babbel-licenses per month and each license gives access to the language platform for 12 months. 31 This offer, which is part of ADEM's increase in training actions (upskilling, reskilling), has so far been met with considerable success. 32
- The general approach of the Government aims to maintain Luxembourg's attractiveness for foreign talent and especially to tackle the labour shortages across the economy as a whole (as for example reflected in the National Health Plan of 2023).³³

³⁰ Information obtained from ADEM on 22 October 2024.

³¹ European Funding in Luxembourg, Plateforme d'apprentissage de langues, 6 August 2024, URL: https://fonds-europeens.public.lu/fr/projets/fse/2021-2027/2032.html

³² ADEM, Les actions de l'ADEM sur un marché de l'emploi qui peine à rebondir, Press release, 4 June 2024, URL: https://adem.public.lu/fr/actualites/adem/2024/06/ra2023.html

Juxembourg Government, Coalition agreement 2023-2028 "Lëtzebuerg fir d'Zukunft stäerken", 16 November 2023. URL: https://gouvernement.lu/fr/publications/accord-coalition/accord-de-coalition-2023-2028/accord-de-coalition-2023-2028.html, p. 176. Ministry of Health, Ministry of Social Security, Plan National Santé, 30 June 2023, p. 35, URL: https://sante.public.lu/dam-assets/fr/publications/p/plan-national-sante-2023/minsante-rapport-plan-national-sante.pdf

2: LEGAL AND POLICY FRAMEWORKS REGARDING LABOUR MIGRATION

2.1 Luxembourg's current labour migration policy approach³⁴

In accordance with the coalition agreement 2018-2023, immigration must continue to serve the economic national interests by responding to the labour market needs and also allowing the attraction of talent in higher education.³⁵

The current labour migration policy approach of Luxembourg continues to be demand-driven, even with the amendments introduced by the Law of 7 August 2023 to article L. 622-4 (5) of the Labour Code regarding the list of occupations in short supply.

In order to hire an employee independently of their nationality (national, EU citizen, third-country national legally residing in the country or coming from abroad) the employer has to declare the post to the National Employment Agency (ADEM).³⁶

The employer has to:

- a) submit a declaration of vacant position to ADEM (National Employment Agency).³⁷ The declaration must be submitted at least 3 working days prior to any job advertisement in the press or anywhere else. Following the declaration of the vacancy, ADEM will email the employer an acknowledgement of receipt, which contains the name of the employer counsellor who will be in charge of the file³⁸;
- b) apply for a certificate granting the right to hire a third-country national for this position.³⁹

There are two ways to obtain this certificate 40:

Case 1: Request for a certificate for a profession with strong labour shortage

If the job advertised corresponds to one of the professions on the list of occupations in acute shortage, published annually by ADEM, the employer will receive the certificate within 5 business days from the acknowledgement receipt date of the certificate application.⁴¹

Case 2: Request for a certificate for a profession with no significant labour shortage
If the job advertised does not appear on the list of occupations in acute shortage, ADEM has 7
business days from the date of acknowledgement of receipt of the certificate application to check
the availability of registered jobseekers for the declared position.⁴²

- If at the end of this period the ADEM finds that no jobseeker is corresponding to the profile
 of the job vacancy, a certificate is issued within 5 business days.⁴³
- If the ADEM finds that one (or more) jobseekers may be suitable for the employer, a new period of 15 business days opens up in order to propose jobseekers who match the profile.

³⁴ Occupation driven approaches grant access to people who are qualified in occupations that are decided by government to be in short supply, without necessarily requiring a work contract. Skilled Occupation lists would be a key policy instrument in such approaches.

³⁵ Government of Luxembourg, Accord de Coalition 2018-2023, p. 133, URL: https://gouvernement.lu/dam-assets/fr/publications/accord-coalition-2018-2023.pdf

³⁶ Article L. 622-4 (1) of the Labour Code.

³⁷ Article L. 622-4 (1) of the Labour Code.

³⁸ Article L. 622-4 (5) of the Labour Code.

³⁹ Article L. 622-4 (5) of the Labour Code.

⁴⁰ ADEM, Hiring of a third-country national, URL: https://adem.public.lu/en/employeurs/recruter/recruter-international/Embauche-ressortissant-pays-tiers.html

⁴¹Article L. 622-4 (5) al. 2 of the Labour Code.

⁴² Article L. 622-4 (6) of the Labour Code.

After the last placement referral, the ADEM notifies the employer that they have one month to provide feedback on the proposed jobseekers.

- If the employer meets this obligation and provides a valid explanation for rejecting the proposed jobseeker(s), the ADEM will issue the certificate within 10 business days.
- If the employer does not meet this obligation, or if the ADEM considers that it has proposed a jobseeker with an appropriate profile for the declared position, the application will be rejected within 10 business days.⁴⁴

The certificate is valid for 3 months and cannot be extended.

The job offer will remain active for 2 months (unless the employer chooses a shorter or longer period). After this period, the job offer will automatically be terminated.

2.2 Type of labour shortages addressed

As answered in Q.1, Q.2 and Q.4, the labour shortages that Luxembourg's current labour migration approach addresses are the acute shortages that are included in the list of occupations in short supply which is published on the first quarter of each year. ⁴⁵It is important to reiterate the political will of the current government to especially tackle the labour shortages in the health professions (see answer to Q.3).

Luxembourg's National Health Plan (2023) diagnoses a national shortage of healthcare staff at all levels and proposes a range of measures, some of them migration-related, some alternative to migration, to treat this issue with a short-, medium-, and long-term perspective.

2.3 Main national labour migration policy instruments to address shortages

As it was explained in the answer to Q.4, the main national labour migration policy instruments in addressing shortages are the list of occupations in short supply and the related simplified hiring procedure.⁴⁶

2.4 Legal and/or policy changes since 2021 to Luxembourg's labour migration framework that are related to labour shortages

To deal with labour shortages, the Luxembourg Government introduced Bill 8227 on 30 May 2023 amending the Labour Code (which become the Law of 7 August 2023). ⁴⁷ It introduced a list of occupations in short supply and simplifies hiring procedures for these occupations as it will abolish the labour market test.

Further, the labour market test for other occupations, which do not face acute shortage also was simplified allowing the employer to obtain the required certificate much faster. With the dual aim

⁴⁴ Article L. 622-4 (7) of the Labour Code.

⁴⁵ Article L. 622-4 (5) al. paragraphs 2 and 3 of the Labour Code.

⁴⁶ Article L. 622-4 (5) of the Labour Code.

⁴⁷ Parliamentary document n° 8227/00 of 30 May 2023. URL: https://wdocs-pub.chd.lu/docs/exped/0140/176/281762.pdf

of meeting the needs of the labour market and simplifying administration, the labour market test has been abolished and thereby ensuring 'free access' to the labour market for⁴⁸:

- Holders of a family member residence permit;⁴⁹
- Applicants for international protection after a six-month waiting period⁵⁰;
- Beneficiaries of a deferment of removal⁵¹; and
- Beneficiaries of a suspension of removal.⁵²

Similarly, the period of validity of residence permits for the purpose of seeking employment or setting up a business has been extended from 9 to 12 months.⁵³

It should be noted that the explanatory statement of this law's bill mentions attracting and retaining talent as market needs in the context of family members and residence permits for the purpose of seeking employment or setting up a business.⁵⁴

2.5 Luxembourg's labour migration policy approach to attract foreign talent

The Luxembourg Government involves several stakeholders in the design of labour policy approaches and in their implementation. In 2024, the Government has established the High Committee for the Attraction, Retention and Development of Talent, which is chaired by the Minister for Economic Affairs, consisting of the ministerial departments concerned, as well as representatives of the private sector.⁵⁵

During its first meeting, which took place on 20 June 2024, the Committee examined the various strategic areas on which the government is working:⁵⁶

- a) Improving the availability of data relating to talent in order to better identify the market and needs.
- b) Promoting Luxembourg as a Talent Hub.
- c) Facilitating the reception of international talent to make Luxembourg more attractive.
- d)Facilitating the work of cross-border commuters, who represent a major labour pool.
- e) Improving the quality of life for new arrivals and retaining talent.
- f) Talent development opportunities to attract and retain talent who want to progress in their careers.⁵⁷

The introduction of the list of occupations in short supply with the amendment of the Labour Code⁵⁸ by the Law of 7 August 2023, which is reviewed every first quarter of each year by ADEM, serves as a tool to assess labour shortages.

⁴⁸ Parliamentary document n° 8227/00 of 30 May 2023, p. 12. URL: https://wdocs-pub.chd.lu/docs/exped/0140/176/281762.pdf

 $^{^{49}}$ Article 74 (2) of the Immigration Law. See exposition of motives. Parliamentary document n° 8227/00 of 30 May 2023, p. 20

⁵⁰ Article 6 (3) of the amended law of 18 December 2015 on reception of applicants for international protection and temporary protection (Reception Law).

⁵¹ Article 125bis (3) paragraph 2 of the Immigration Law.

⁵² Article 132 (2) paragraph 3 of the Immigration Law.

⁵³ Article 67-4 of the Immigration Law.

⁵⁴ Explanatory statement. Parliamentary document n° 8227/00 of 30 May 2023, p. 12.

⁵⁵ Luxembourg Government, Coalition agreement 2023-2028 « Lëtzebuerg fir d'Zukunft stäerken », 16 November 2023, p. 148.

⁵⁶ Ibid.

⁵⁷ Luxembourg government, « Première réunion du Haut comité pour l'attraction, la rétention et le développement de talents », Press release, 20 June 2024. URL : https://gouvernement.lu/fr/actualites/toutes actualites/communiques/2024/06-juin/20-delles-haut-comite.html

⁵⁸ https://legilux.public.lu/eli/etat/leg/code/travail/20240227#art_I_622-4

A differentiation between occupational sectors and/or skills levels does take place as the hiring process for candidates for the occupations listed as scarce on ADEM's list of short supply is simplified compared to the occupations not on this list.

The modifications of the Labour code, introduced by the Law of 7 August 2023, stipulate that qualifications, language skills and professional experience of the vacancy and the job applicant(s) must be considered.⁵⁹

Luxembourg does neither facilitate the recognition of foreign qualifications regarding shortage occupations/sectors, nor employ measures to prevent to prevent/mitigate brain drain from countries of origin at the moment.

As the Luxembourgish economy is employer driven, no safeguards to protect vulnerable migrant workers (i.e. quotas) to counterbalance policy measures that facilitate the admission of workers in shortage occupations are currently in place Furthermore, Article L. 622-4 (5) of the Labour Code does not foresee them.

An agreement to achieve (mutually) beneficial effects of labour migration for countries of destination and origin [to enhance the country's leverage for recruitment from abroad 60 exists in Luxembourg. Luxembourg has signed an agreement on management of migration flows and solidary development with Cabo Verde on 13 October 2015. This agreement, which inter alia aims to facilitate temporary circular labour migration between the two countries by facilitating the issuing of multiple entry "circulation" visas valid for between one and five years, came into force on 31 July 2017⁶¹, has not been fully applied yet. However, the General Directorate of Immigration is currently setting up the monitoring committee provided for in this agreement. 62

• Luxembourg incorporates several additionally aspects into its labour policy approach to increase its competitive advantage to attract foreign talent and tackle labour shortages. Impatriate Tax Regime: A fiscal policy specifically designed to help local businesses recruit highly qualified workers from around the world. First introduced in 2011, the regime has undergone several legislative changes. The latest version has become effective on 1 January 2021 and since then 2 100 new employees have made use of it.⁶³
The Government will introduce a more favourable impatriate scheme, which will come into effect on 1 January 2025. The current impatriate regime, which is based on a partial exemption of gross annual remuneration paid in the form of a bonus and on taking into account other costs generated by the impatriate's move, will be replaced and simplified by an exemption of 50% of gross annual remuneration, capped at 400 000 Euros. This measure is

⁶⁰ This question is asked since the inclusion of such considerations can expand the possibility of bilateral labour agreements. These considerations are also important in terms of policy coherence, and not undermining development agendas of EMN countries.

⁵⁹ Article L. 622-4 of the Labour Code.

⁶¹ Bill 7107 approving the Agreement between the Grand Duchy of Luxembourg and the Republic of Cabo Verde on the concerted management of migratory flows and solidarity-based development, done at Luxembourg on 13 October 2015, introduced to Parliament on 17 January 2017, URL: https://wdocs-pub.chd.lu/docs/exped/0001/004/2040.pdf

Law of 20 July 2017 approving the Agreement between the Grand Duchy of Luxembourg and the Republic of Cabo Verde relating to the concerted management of migratory flows and joint development, done in Luxembourg on 13 October 2015, published in Memorial A672 of 27 July 2017, URL: https://legilux.public.lu/eli/etat/leg/loi/2017/07/20/a672/jo

⁶² Information obtained from the DGIM on 22 October 2024.

⁶³ Law of 19 December 2020, concerning the State revenue and expenditure budget for the financial year 2021 amending the amended Law of 4 December 1967 on income tax. Published in Memorial A1061 of 23 December 2020 (Article 3 modifying article 115 of the amended Law on Income Tax by introducing two new points 13a and 13b), URL: https://legilux.public.lu/eli/etat/leg/loi/2020/12/19/a1061/jo#art 3

Paperjam, New impatriates scheme aims to appeal to employees, 10 September 2024, URL: https://en.paperjam.lu/article/new-impatriates-scheme-aims-to

designed to make Luxembourg more attractive to talent and highly specialised profiles and takes account of the attractive regimes in place in other European Union countries.⁶⁴ The Government Council has also approved a <u>roadmap</u> for the elaboration of a national strategy for the attraction, development and retention of talent: "Luxembourg Talents Hub".65

- Work-in-Luxembourg-platform: pilot project, launched in 2022. This platform directly targets talent from all over the world in national business sectors that report severe labour shortage. On this platform, more than 1 000 open positions are published, jobseekers and employers can post their profiles, jobseekers can apply to the job offers and employers can directly contact suitable candidates. This initiative has been classified by the European Labour Authority (ELA) as the best communication product within the European Employment Services network (EURES). 66 The platform has seen an exponential increase in candidates since the entry into force of the Law of 7 August 2023.⁶⁷
- However, a <u>new online platform</u> is currently set up to provide information for international talent and represent a first point of entry for professionals interested in working in Luxembourg. In addition to its promotional role, the portal should also make it easier for international talent to settle in Luxembourg. To this end, it should serve as a platform enabling talent from abroad to find, in a consolidated manner:
 - employment opportunities,
 - links to administrative procedures,
 - useful information for arriving in Luxembourg (real estate agencies, banks, international schools and the public system)
 - information on employment and career development (recruiters, training, etc.),
 - and information on everyday life (culture, sport, etc.).

The aim of the portal will not be to copy all the information already available on existing sites, but to structure and present the information according to the needs of talent interested in Luxembourg and to provide them with relevant links to available sources of information. The portal will take into account the needs of different economic sectors in Luxembourg (e.g. ICT, space, crafts, start-ups or the health sector), as well as the needs of different kinds of talent (e.g. young talent looking for an internship opportunity or cross-border workers). This measure will greatly facilitate the soft-landing of talents identifying Luxembourg as a potential workplace as well as their onboarding. The portal is due to go online in the spring of 2025 and will then replace the Work-in-Luxembourg-platform. However, the ADEM Jobboard, which is currently on the Work-in-Luxembourg site, will be integrated into the new platform.⁶⁸

2.6 Different types of legal entry pathways for work

⁶⁴ Ministry of Finance, "Entlaaschtungs-Pak. Zesummenhalt. Zukunft. Fir Jiddereen." – Gilles Roth présente un vaste paquet fiscal pour renforcer le pouvoir d'achat et la compétitivité, Press release, 17 July 2024, URL:

https://gouvernement.lu/fr/actualites/toutes_actualites/communiques/2024/07-juillet/17-roth-paquet-fiscal.html

⁶⁵ Government Council, Résumé des travaux du 8 juillet 2022, Press release, 8 July 2022, URL: $\underline{https://gouvernement.lu/fr/actualites/toutes_actualites/communiques/2022/07-juillet/08-conseil-gouvernement.html.}$

National Employment Agency (ADEM), Un acteur majeur pour répondre aux défis futurs du marché de l'emploi – l'ADEM présente son rapport annuel 2021 et sa stratégie "ADEM 2025", Press release, 20 June 2022, URL: https://gouvernement.lu/fr/actualites/toutes_actualites/communiques/2022/06-juin/20-engel-adem.html

⁶⁶ National Employment Agency (ADEM), Un acteur majeur pour répondre aux défis futurs du marché de l'emploi – l'ADEM présente son rapport annuel 2021 et sa stratégie "ADEM 2025", Press release, 20 June 2022, URL: https://gouvernement.lu/fr/actualites/toutes_actualites/communiques/2022/06-juin/20-engel-adem.html

⁶⁷ ADEM, "Online languages assessment and trainings for jobseekers", Presentation given at EMN Lithuania's conference "Navigating a Changing Labour Migration Landscape in Lithuania and EMN Countries" on 24 April 2024

⁶⁸ Information obtained from the Ministry of Economy on 26 September 2024 and 15 October 2024.

Five legal work-related entry pathways to Luxembourg, which cover multiple skill levels, exist:

1) Salaried Worker: low and medium skills (non-qualified and qualified worker)

The application for a temporary authorisation to stay as salaried worker must contain the applicant's identity details and must be accompanied by the following documents and information:

- a copy of the valid passport, in its entirety;
- an extract from the criminal records or an affidavit (sworn declaration) established in the country of residence;
- a curriculum vitae;
- a copy of their diplomas or professional qualifications;
- a copy of the employment contract (compliant with Luxembourg law), dated and signed by both the applicant and his future employer in Luxembourg (salary may not be below the minimum wage of 2 570,93 EUR monthly for non-qualified workers).⁶⁹
- the original of the <u>certificate</u> from the <u>National Employment Agency</u> granting the employer the right to hire a third-country national;
- where necessary, a power of attorney.
- In Luxembourg the application to stay, if authorized, will grant a salaried worker a residence permit which encompasses a work authorization.⁷¹

In Luxembourg, there is no language level requirement.

2) Blue Card Holder: highly skilled workers

The application for a temporary authorisation to stay must contain the applicant's identity (surname, first name and contact details) and must be accompanied by the following documents and information:

- a copy of their valid passport, in its entirety;
- an extract from the criminal records or an affidavit (sworn statement) established in the country of residence;
- a curriculum vitae;
- a copy of their diplomas or professional qualifications;
- a copy of the employment contract (compliant with Luxembourg law), dated and signed by both the applicant and their future employer in Luxembourg. The contract must be for at least 6 months and provide for a gross annual salary at least equal to the average gross annual salary (currently EUR 58 968);
- where necessary, a power of attorney (power of attorney: third-country nationals may mandate a third party (e.g. the future employer) to submit the application on their behalf.)

The documents enclosed must be originals or certified true copies (except for the passport and the diplomas where a plain copy will suffice).⁷²

3.) ICT: Medium- and high skill levels

Third-country nationals bound by an employment contract with a company abroad (transferring company) can be transferred to another entity within the same company or

⁶⁹ Ministry of Health and Social Security, General Inspectorate of Social Security, Social Parameters valid on 1st January 2024. URL: https://gouvernement.lu/dam-assets/documents/actualites/2024/01/10-adaption-parametres-sociaux/paramtres-sociaux-janvier-2024.pdf & https://legilux.public.lu/eli/etat/leg/loi/2008/08/29/n1/consolide/20230901#art 54

https://legilux.public.lu/eli/etat/leg/code/travail/20240227#art_l_222-1

⁷⁰ https://guichet.public.lu/en/citoyens/immigration/plus-3-mois/ressortissant-tiers/salarie/salarie-pays-tiers.html

⁷¹ https://legilux.public.lu/eli/etat/leg/loi/2008/08/29/n1/consolide/20230901#art_43

⁷² https://guichet.public.lu/en/citoyens/immigration/plus-3-mois/ressortissant-tiers/hautement-qualifie/salarie-hautement-qualifie.html https://legilux.public.lu/eli/etat/leg/loi/2024/06/04/a261/jo https://legilux.public.lu/eli/etat/leg/rmin/2024/03/15/a123/jo

group of companies as a specialist or manager to provide specific skills. They must meet the following requirements:

- have been employed by the business or the group of businesses transferring the employee for an uninterrupted period of at least 3 months immediately preceding the application for transfer;
- have a valid passport;
- check whether or not they require a visa to enter the Schengen area.
- have an employment contract with the company established in the third-country before and during their transfer to Luxembourg.

The application must be accompanied by the following documents relating to the third-country national:

- a copy of their valid passport, in its entirety;
- an recent extract of the criminal record or an affidavit (sworn declaration) established in the country of residence;
- a certificate of affiliation with the social security in the country of origin / Luxembourg, or the proof that an application for affiliation has been submitted.⁷³

4.) Researcher: highly skilled

A third-country national who resides in a third country and wishes to reside in Luxembourg to conduct a research project will need an authorisation to stay and then a residence permit. They must:

- hold a valid passport;
- check whether or not they have to obtain a visa.
- present a signed hosting agreement with an approved research institute;
- hold a higher education diploma giving access to doctorate programmes.

Approved (accredited) research institutes that conduct or plan to conduct research work may conclude hosting agreements. This accreditation must be applied for:

- to the Minister in charge of Luxembourg public research institutes;
- to the Minister in charge of the economy for Luxembourg public research institutes.

The application for accreditation must be accompanied by the following documents:

- indication of the place of activity;
- social status or company object of the institute;
- a description of the activities;
- the number of researchers employed;
- a description of the research carried out;
- the audited annual financial statements for the past 3 financial years.

To obtain the accreditation, the institute must be able to prove that it is conducting research work in Luxembourg.

Accreditation is granted for a **maximum duration of 5 years** or, where applicable, 3 years maximum if the institute was created recently.

A public research institute whose legal and regulatory objective is in the field of research does not have to provide these documents.

Provided the research project was accepted by the competent bodies of the institute, the research institute and the researcher must conclude a **hosting agreement** in which the researcher commits to conduct the research project and the institute commits to host the researcher to that end. The following elements are verified:

⁷³ https://guichet.public.lu/en/citoyens/immigration/plus-3-mois/ressortissant-tiers/salarie-transfere/transfert-intragroupe-ICT.html https://legilux.public.lu/eli/etat/leg/loi/2008/08/29/n1/consolide/20230901#art_47

- the purpose and the duration of the research project as well as the financial means necessary to achieve the project;
- the researcher's qualifications compared to the research in question and attested by a certified true copy of the adequate diplomas;
- the researcher's sufficient monthly resources amounting to at least the social minimum wage for skilled worker, in order to cover for the cost of living and return travel without the need to appeal to the social assistance system as well as the cost of health insurance;
- the precise legal relationship in the hosting agreement, as well as the researcher's work conditions.

5.) Self-employed: medium to highly skilled

Before applying for a temporary authorisation to stay, the applicant must fulfil the conditions of access to the profession concerned:

- if the self-employed activity requires a business permit, the applicant must join to their application the outline consent from the Ministry of the Economy regarding the issuance of the business permit;
- if the activity requires other authorisations, accreditations or registrations, the applicant must join to their application a copy of their authorisation or registration/accreditation, or the outline consent of the competent authority.

The application for a temporary authorisation to stay must contain the applicant's identity details (surname, first name(s) and address) and must be accompanied by the following documents and information:

- a copy of their valid passport, in its entirety;
- an extract from the criminal records or an affidavit (sworn oath) established in the country of residence;
- a curriculum vitae;
- a business and a financing plan;
- proof that the applicant has the necessary economic resources to carry out his business project;
- in the case of a takeover of a business, the balance sheets and profit and loss accounts for the past three financial years;
- in the event of an activity subject to a business permit, the agreement in principle;
- in the case of an activity subject to other authorisations, accreditations or registrations, the agreement in principle from the competent authority;
- where necessary, a power of attorney.⁷⁴

2.7 Foreseen changes foreseen to the legal framework and the labour migration policy approach pertaining to labour shortages

Currently, there are no changes foreseen to the legal framework and the labour migration policy approach pertaining to labour shortages.

2.8 Indicators used for monitoring or conducted evaluations to assess the outcomes of labour migration policies in terms of attracting and retaining foreign workforce

⁷⁴ https://guichet.public.lu/en/citoyens/immigration/plus-3-mois/ressortissant-tiers/travailleur-independant/independant.html https://legilux.public.lu/eli/etat/leg/loi/2008/08/29/n1/consolide/20230901#art_51

Luxembourg does neither use indicators for monitoring, nor does evaluate how labour migration policies attract and retain foreign workers.

2.9 Implemented policies intended to positively influence the duration of stay of foreign talent

The amendment of the Immigration Law extends the validity of the residence permit for personal reasons for the search of an employment or the creation of a business from 9 to 12 months⁷⁵. Further, several measures are currently being planned:

The newly established High Committee for the Attraction, Retention and Development of Talent will be examining the various strategic areas from which several are essentials to positively influence the duration of stay such as:

- a) Promoting Luxembourg as a Talent Hub.
- b) Facilitating the reception of international talent to make Luxembourg more attractive.
- c) Improving the quality of life for new arrivals and retaining talent.
- d) Talent development opportunities to attract and retain talent who want to progress in their careers. ⁷⁶

However, it is still too early for any actions to be initiated by the High Committee as the first meeting of the Committee only took place on 20 June 2024.⁷⁷

The Luxembourgish Government is working to increase the number of international schools and to offer professional development courses in French and English to cater more to the needs of foreign talent residing in Luxembourg and thus making the country more attractive for this group.⁷⁸

2.10 Lessons learned about labour migration policy and legal pathways, regarding the objective of reducing labour shortages

As the amendments to the Labour Code entered into force in August 2023, it is too early to evaluate these recent changes. However, as shown in the table provided in question 1, the list of occupations in short supply was shortened from 30 occupations on 27 September 2023 to 24 on 4 April 2024, which could be the beginning of a longer lasting positive development.⁷⁹

⁷⁶ Luxembourg Government, Coalition agreement 2023-2028 « Lëtzebuerg fir d'Zukunft stäerken », 16 November 2023, p. 148.

Ministry of Economy, Première réunion du Haut comité pour l'attraction, la rétention et le développement de talents, Press release, 20 June 2024 | IRI :

 $\frac{\text{https://meco.gouvernement.lu/fr/actualites.gouvernement%2Bfr\%2Bactualites\%2Btoutes_actualites\%2Bcommuniques\%2B2024\%2B06-juin\%2B20-delles-haut-comite.html}$

Ministry of Education, Children and Youth, Rentrée 2024/2025, Dossier de presse, 12 September 2024, URL: https://gouvernement.lu/dam-assets/documents/actualites/2024/09/12-meisch-screen-life-balance/dossier-de-presse-rentre-2024-2025.pdf

Bill 7800 relating to the construction of a high school in Mersch and amending: 1° the amended law of 22 July 2008 creating a high school in Junglinster; 2° the amended law of 13 June 2013 creating a high school in Clervaux; 3° the amended law of 26 February 2016 creating a public international school in Differdange; 4° the amended law of 23 July 2016 creating a national reserve of secondary school teaching staff; 5° the law of 13 July 2018 creating a secondary school in Mondorf-les-Bains; 6° the law of 19 December 2020 concerning the State revenue and expenditure budget for the financial year 2021, Introduced to Parliament on 15 May 2021, URL: https://wdocs-pub.chd.lu/docs/exped/0119/026/238269.pdf Reply to Parliamentary Question 8025, Écoles internationales, 27 June 2023, URL: https://wdocs-pub.chd.lu/docs/exped/0140/056/280567.pdf Government of Luxembourg, Accord de coalition 2023-2028, Press release, 16 November 2023, p. 118, 123, 127, URL: https://gouvernement.lu/dam-assets/documents/dossier/formation-gouvernement-2023/accord-coalition.pdf

⁷⁵ Article 67-4 of the Immigration Law.

⁷⁷ Ibid.

⁷⁹ Luxemburger Wort, Die Adem-Liste der Mangelberufe bewährt sich, 31 August 2024, URL: https://www.wort.lu/wirtschaft/die-adem-liste-dermangelberufe-bewaehrt-sich/18260922.html

In addition, the recent changes to the impatriate regime, which will only come into effect (for more details, please see Q8) on 1 January 2025, cannot yet be assessed as well.

2.11 Main challenges for Luxembourg's labour migration policy and legal pathways, and the objective of reducing labour shortages

The main challenges faced in Luxembourg regarding labour migration policy and legal pathways to reduce labour shortages are:

- a) **Housing**: The lack of (affordable) housing is a national structural problem, that not only affects third-country nationals that want to work in Luxembourg, but also European citizens and Luxembourgish nationals.⁸⁰
- b) **Schooling**: The demand for public (i.e. no tuition) international schools constantly remains higher than the available slots, which results in waiting lists that can negatively affect the attractivity and retention of talent. The Luxembourg government is continuously increasing the number of public international schools to provide a diversified offer for foreigners coming to Luxembourg and also for nationals with diversified language profile. The Minister for Education, Children and Youth recently announced that, in addition to the six already existing ones, three new public European will open by 2028 in the urban areas of Esch-sur-Alzette, Dudelange and in the greater Luxembourg City region.⁸¹
- c) Language: Luxembourg has three official languages (Luxemburgish, German and French). However, English is increasingly becoming the lingua franca, which can be attributed to Luxembourg's role as a financial centre and as host of some of the largest European Union institutions. Hence, language issues for third-country nationals are not necessarily a substantial problem. While a third-country national can work in Luxembourg without speaking one of the three official languages, learning at least one of the three official languages becomes necessary for integration purposes. Therefore, the traditional public schools and public international schools play a very important role in assuring social cohesion. As Mastering the three official languages can become a problem for the family members of the workers especially if the children are already advanced in primary and secondary education and cannot find a place in a school that suits their language profile. In those cases, the children will have to attend public schools and in order to enable them to follow the lessons and to learn the official languages, they might eventually lose one or more grades.
- d) **Diplomas and Experience**: According to a recent ADEM report,⁸³ jobseekers with high-level diplomas who might meet job requirements may face employers who are often unfamiliar

⁸⁰ In 2022 in Luxembourg, on average 54% of the disposable income of tenant households in Luxembourg needed to be used to cover housing costs. For house owners with a mortgage this share was 30,8% and 9,6% for owners without a mortgage.
STATEC, Rapport PIBien-être 2023, p. 23, 20 March 2024, URL: https://statistiques.public.lu/dam-assets/catalogue-publications/analyses/2024/analyses-01-24.pdf

Ministry of Education, Children and Youth, "Screen-life balance": for a healthy balance between screens and real life for our children, Press release, 12 September 2024, URL: https://gouvernement2024+en+actualites+toutes-actualites+communiques+2024+09-septembre+12-screen-life-balance.html
Ministry of Education, Children and Youth, Rentrée 2024/2025, Dossier de presse, 12 September 2024, URL: https://gouvernement.lu/dam-assets/documents/actualites/2024/09/12-meisch-screen-life-balance/dossier-de-presse-rentre-2024-2025.pdf

Information obtained from the Ministry of Education, Children and Youth on 27 September 2024.

⁸² Information obtained from the Ministry of Education, Children and Youth on 27 September 2024.

⁸³ ADEM, Zoom sur les demandeurs d'emploi avec qualification supérieure, 12 February 2024, URL: https://adem.public.lu/dam-assets/fr/publications/adem/zoom-emploi/zoom-emploi-2023-01.pdf

with foreign schools or programs and, as a result, may not fully trust the value of these qualifications. Additionally, experience and knowledge gained outside the EU are not always transferable to Luxembourg, particularly in fields such as accounting or the financial sector, where knowledge of local regulations and standards is crucial.⁸⁴

- e) Regulated Professions: ADEM also highlights in its report⁸⁵ that in sectors such as health and social care (e.g. educators, social workers), professions are generally regulated and require the formal recognition of foreign diplomas as well as certification of language proficiency. This poses significant challenges for nationals from third countries. Current proposals suggest establishing higher vocational training (formation professionnelle supérieure) in Luxembourg, which would allow for the creation of a specific qualifications register to align the qualifications of new workers with those of workers already present in the country. However, any system offering partial qualifications must also provide a pathway to obtaining full qualifications through continuing education, designed to accommodate employees' constraints and balance work, life, and training commitments. There is also a need to organise higher vocational training under the status of apprenticeship, which offers specific protections to workers. Cross-border apprenticeships illustrate the demand for such training, both at the individual and company levels.⁸⁶
- f) General causes for labour shortages: It is crucial to address the actual factors contributing to labour shortages. The shortage may not stem solely from a lack of candidates with the right skills. As Eurofound notes, 87 working conditions (incl. factors such as wages, atypical schedules and job strain) may also play a significant role in causing these shortages in certain sectors (e.g. health and long-term care). It is essential to tackle these issues early on to prevent new hires from encountering the same problems and subsequently leaving their jobs. Identifying the underlying causes of the shortages such as lack of candidates, skills mismatch or and/or working conditions is the first step toward solving them. 88

2.12 Good practices of Luxembourg's labour migration policy and legal pathways for the objective of reducing labour shortages.

The good practice that seems to be most effective for dealing with labour shortages is the publishing of the lists of occupations in short supply. As mentioned above, the first list published in September 2023 consisted of 30 occupations in short supply. When the second list was published in April 2024, the number of occupations was reduced to 24 occupations. According to ADEM, the issuance of foreign labour certificates (an essential document in the hiring procedure of third-country nationals) increased by 20%, when comparing the period before the entry into force of the Law of 7 August 2023, which brought the list of professions in very short supply. Furthermore, the share of certificates issued for occupations in short supply is at around 75% and thus demonstrating the considerable impact of the new law on the hiring of third-country nationals.

⁸⁴ Information obtained from the Chamber of Employees on 16 September 2024.

⁸⁵ ADEM, Zoom sur les demandeurs d'emploi avec qualification supérieure, 12 February 2024, URL: https://adem.public.lu/dam-assets/fr/publications/adem/zoom-emploi/zoom-emploi-2023-01.pdf

⁸⁶ Information obtained from the Chamber of Employees on 16 September 2024.

⁸⁷ Eurofund, Measures to tackle labour shortages: Lessons for future policy, 28 March 2024, https://www.eurofound.europa.eu/system/files/2023-03/ef22015en.pdf

⁸⁸ Information obtained from the Chamber of Employees on 16 September 2024.

Labour migration in times of labour shortages in Luxembourg (January 2021 – June 2024)

Hence there are early signs that the publishing of the list and the related simplification of the hiring procedure are working.⁸⁹

⁸⁹ American Chamber of Commerce (AMCHAM), Interview: Laurent Peusch, ADEM, 18 September 2024, URL: https://www.amcham.lu/newsletter/3-questions-about-the-spousal-work-permit/

3: PRACTICES AND INITIATIVES TO ATTRACT AND RECRUIT FOREIGN TALENT TO TACKLE LABOUR SHORTAGES⁹⁰

3.1 Institutionalised/coordinated national recruitment mechanisms for foreign talent in shortage occupations

Luxembourg has not institutionalised and/or coordinated national recruitment mechanisms for foreign talent in shortage occupations.

As already mentioned above, the Luxembourgish economy is employer (demand)-driven so the Government does not interfere with recruitment. The Luxembourg authorities only verify if all conditions are fulfilled in order to grant the residence permit. The applications for obtaining the authorisation of stay have to be submitted by the applicants in person or through a power of attorney by the employer. In the case of labour market test, if the employer rejects without a valid reason a candidate proposed by the national employment agency (ADEM), the certificate will not be issued for recruiting the third-country national (see also Q 4).

Besides, the Luxembourgish Employment Agency (ADEM) works with recruitment sites and employers regarding the publication of their job offers via automatic transfers of job offers to ADEM's database.⁹¹

The National Employment Agency (*Agence pour le développement de l'emploi*, ADEM) is the central stakeholder with respect to national recruitment mechanisms in Luxembourg. ADEM publishes the list of occupations in short supply once a year. Further, Employers declare their openings to ADEM, which also facilitates initiatives and venues to advertise these open positions, as well as a matching procedure for employers and employees. The hiring procedure and the obtention of the authorisation of stay for TCNs working in occupations listed on ADEM's shortage list is simplified and shortened. However, the visa procedure remains untouched and there is no cover of the TCN's travel and/or recruitment cost by the state.

No information and/or practical guidelines about labour and social rights especially for foreign workers is available. However, general advice for all workers can be found: General advice for all workers:

ADEM:

Labour Law:

https://adem.public.lu/en/marche-emploi-luxembourg/travailler-luxembourg/prealables-vie-professionnelle/droit-du-travail.html

Working in Luxembourg: Information and advice:

https://adem.public.lu/en/publications/demandeurs-emploi/informations-conseils-travailler-luxembourg.html

ITM

Conditions de travail (working conditions): https://itm.public.lu/en/conditions-travail.html

⁹⁰ In your response to the questions in section 3, please refer to the shortage occupations you have identified in section 1/question 1.

⁹¹ Information obtained from ADEM on 8 November 2024.

LCGB (Lëtzebuerger Chrëschtleche Gewerkschaftsbond, Luxembourg Christian Labour Union) Labour law and social law

https://lcgb.lu/fr/assistance-au-travail/droit-du-travail-droit-social/

Workers' rights

https://lcgb.lu/fr/un-apercu-de-vos-droits/

Advice for foreign workers:

OGBL(Independent Luxembourg Trade Union Confederation, Onofhängege Gewerkschaftsbond Lëtzebuerg)

Immigrants' Department:

https://www.ogbl.lu/en/departements/departement-des-immigres/

Passport of Rights - Coordination of social security for the use of people who live, work and migrate across Europe: https://www.ogbl.lu/wp-

content/uploads/2023/02/04113 passeport droits EN 04-2013.pdf

Provisions ensuring that recruitment from abroad does not substitute but complement other necessary measures to address labour shortages are not available in Luxembourg.

3.2 Additional initiatives

The Law of 27 August 2024 amending the Immigration Law stipulates that authorisations for the purposes of seasonal work issued to third-country nationals must be accompanied by written information relating to their rights and obligations under Directive 2014/36/EU. 92

Further, as part of the Coalition Agreement 2023-2028, the Government committed to simplifying administrative procedures related for hiring of seasonal and casual workers, particularly in the areas of specialty crops and viticulture. To this end, the Minister of Agriculture, Food and Viticulture invited representatives of viticulture, horticulture, and agriculture to a first "Wäibaudësch" (viticulture table) on 11 July 2024. This meeting was also attended by the Minister of Health and Social Security and the Minister of Labour.

The harvest of grapes, strawberries, apples, and other agricultural products relies heavily on foreign seasonal workers. As their hiring involves complex processes and dealings with several ministries and administrations, the "Wäibaudësch" is intended to help to simplify these processes. Such simplifications are also intended to mitigate the persisting labour shortage which also affects the agricultural sector. Foreseen measures shall optimize the connection between job candidates and agricultural, wine, and horticultural businesses, for example it shall be made possible to hire applicants for international protection (AIPs) without prior market testing and a helpline will be made available for employers to inquire about the status of people from third countries. 93

In anticipation of future challenges of the labour market and respond to the labour shortage in the Luxembourg economy,⁹⁴ the strategic partnership in favour of employment and employability to which ADEM and the Chamber of Commerce have committed in April 2024 shall be mentioned.

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⁹² Law of 27 August 2024 amending the amended Law of 29 August 2008 on the free movement of persons and immigration Published in Memorial A391 of 4 September 2024, URL: https://legilux.public.lu/eli/etat/leg/loi/2024/08/27/a391/jo

⁹³ Ministry of Agriculture, Food and Viticulture, Ministry of Health and Social Security, Ministry of Labour, Simplification des procédures administratives pour l'embauche de travailleurs saisonniers: les conclusions du "Wäibaudësch", Press release, 11 July 2024, URL: https://gouvernement.lu/fr/actualites/toutes actualites/communiques/2024/07-juillet/11-hansen-mischo-waibaudesch.html

⁹⁴ Ibid., p. 175.

This partnership analyses, inter alia, the major trends in terms of skills sought on the labour market (see also Q 4). 95

Luxembourg is experiencing serious shortages in health care staff for example due to over-aging of the medical workforce and the patients, strong population growth and the lack of a full medical school (or faculty) (even though this issue is being addressed). ⁹⁶ Luxembourg's National Health Plan proposes a mixed approach to address this shortage: offering additional training (to keep students in the country and to attract foreign students), advancing digitalisation, the processes for the recognitions of foreign diploma and professional qualifications, and also increasing the country's attractiveness in general to attract foreign health care workers. ⁹⁷ More measures are currently being discussed (no additional information available at the time of writing). ⁹⁸

3.3 Structured legal employment pathways for irregular migrants for shortage occupations

Luxembourg does not offer structured legal employment pathways for irregular migrants in shortage occupations.

3.4 Regional imbalances impacting the ability to attract foreign talent

In Luxembourg, 672 050 inhabitants live on 2 586 km², politically organised in 12 cantons. Due to its small geographical size, regional imbalances are not an issue in Luxembourg.⁹⁹

3.5 Utilised EU instruments on labour migration designed from 2021 onwards

Luxembourg makes use of the following EU instruments:

Talents Partnerships are currently under review for future action. Skilled Driver Mobility for Europe (SDM4EU): https://www.migrationpartnershipfacility.eu/mpf-projects/64-skilled-driver-mobility-for-europe-sdm4eu/preview

⁹⁵ https://gouvernement.lu/fr/actualites/toutes_actualites/communiques/2024/04-avril/25-mischo-cc-adem.html

⁹⁶ The ratio of doctors is at 3 per 1 000 population and to reach the European average of 3,8 per 1000 residents, the country would need 1 200 doctors until 2030. Even though the shortage of nurses is not as high for doctors, the country would need 3 800 additional nurses until 2030. As a result, Luxembourg is heavily dependent on medical staff either moving to Luxembourg or commuting to Luxembourg on a daily basis (cross-border workers) from either Belgium, France, or Germany (in 2017, almost 50% of all medical doctors were non-Luxembourgers.
Ministry of Health and Social Security, National Health Plan, 2023, p. 24, 28, URL: https://sante.public.lu/dam-assets/fr/publications/p/plan-national-sante.pdf

Fédération des Hôpitaux Luxembourgeois, Vision 2030 pour les hôpitaux et le système de santé luxembourgeois, December 2022, p. 78, URL: https://fhlux.lu/web/wp-content/uploads/2023/02/fhl.lu-20230222-livre-blanc-vision-2030.pdf

⁹⁷ Ministry of Health and Social Security, National Health Plan, 2023, p. 24, 28, URL: https://sante.public.lu/dam-assets/fr/publications/p/plan-national-sante.pdf

Fédération des Hôpitaux Luxembourgeois, Vision 2030 pour les hôpitaux et le système de santé luxembourgeois, December 2022, p. 78, URL: https://fhlux.lu/web/wp-content/uploads/2023/02/fhl.lu-20230222-livre-blanc-vision-2030.pdf

Marie-Lise Lair-Hillion, Etat des lieux des professions médicales et des professions de santé au Luxembourg - Rapport final et Recommandations (Version 2019-10-01), 2019, Section 8.9.1, p. 17, URL: https://sante.public.lu/dam-assets/fr/publications/r/rapport-etat-des-lieux-professions-de-sante-version-complete-2019/rapport-etat-des-lieux-professions-medicales-et-professions-de-sante-complet.pdf

⁹⁸ Information obtained from the Ministry of Health and Social Security on 12 September 2024.

⁹⁹ https://luxembourg.public.lu/dam-assets/publications/le-luxembourg-en-chiffres/luxembourg-figures.pdf

https://statistiques.public.lu/en/actualites/2024/stn16-population-2024.html

¹⁰⁰ Information obtained from ADEM on 8 November 2024.

and

Skilled Driver Mobility for Europe (SDM4EU)

June 2024 - December 2024

Enabling European Private Sector—Driven Labour Mobility Schemes for Nigerian Technical Professionals (Nigerian TechPro4Europe)

April 2023 - December 2024

Implemented by ICMPD

(https://www.migrationpartnershipfacility.eu/mpf-projects/58-enabling-european-private-sector-driven-labour-mobility-schemes-for-nigerian-technical-professionals-nigerian-techpro4europe)

Match (https://belgium.iom.int/match)

"Migration of African Talents through Capacity building and Hiring (MATCH)" is a 39-month initiative funded by the European Union (EU) aimed at providing skilled talents to European private sector companies whose needs for qualified staff could not be satisfied by the offer available on the EU labour market. The project started in January 2020 and officially ended in April 2023.

Through the MATCH project, a scheme was set for private companies to recruit from new pools of talent. MATCH facilitated the collection of 657 CVs, out of which 378 were pre-selected for a total of 118 opened vacancies in 29 hiring companies. 121 talents reached the final stage of the recruitment process, and 8 talents were recruited by companies in Italy, the Netherlands, and Belgium."

In Luxembourg, this initiative benefited from the support of IMS - Inspiring More Sustainability. 101

¹⁰¹ IMS Luxembourg is an independent, apolitical, non-profit organization and a network, which represents nearly 25% of the Luxembourg workforce and is the national representative of the European organization CSR Europe. Since October 2022, IMS Luxembourg is the single point of contact for certified and aspiring B Corp companies (companies verified by B Lab to meet high standards of social and environmental performance, transparency, and accountability) in Luxembourg.

4: CONCLUSION

Use of labour migration to tackle current and to prevent future labour shortages

The general approach of the Government aims to maintain Luxembourg's attractiveness for foreign talent and especially to tackle labour shortages across the economy as a whole (as for example reflected in the National Health Plan of 2023). ¹⁰²

Labour and skill shortages in Luxembourg affect manifold sectors and skill levels. They pose multiple challenges and thus require multilayered strategies, which combine mixed measures as response.

Labour migration is perceived as one of several options to tackle current and prevent future labour shortages and its use is regulated as follows:

Legislation

The Government has passed the Law of 7 August 2023, which amends article L. 622-4 (5) of the Labour Code and established the list of occupation in short supply. 103 As stipulated by the Law of 7 August 2023, for professions listed as shortage professions, ADEM will no longer be required to conduct a labour market test for applicants from third countries. In such cases, the certificate will be issued within five days of receiving the application. 104

Legal entry pathways for work exist as well (salaried workers, low and medium skills; Blue Card, highly skilled; ICT, medium skilled; researchers, highly skilled; self-employed, medium to highly skilled).

Coalition Agreements

The shortage of qualified workers was already mentioned in the Coalition Agreement for the legislative period 2018-2023 and several measures were proposed as well. ¹⁰⁵ The new Government's 2023-2028 Coalition Agreement ¹⁰⁶ addressed some of the issues with labour shortages. The Agreement also listed several migration related as well as alternative measures as potential responses to this challenge.

National Action Plans

The Health Plan, published in 2023 by the previous Government, ¹⁰⁷ addresses, inter alia, the issue of labour shortage in the healthcare sector. Based on meetings with relevant stakeholders, measures are proposed. These measures, however, are mixed and not only migration related.

Law of 7 August 2023 amending the

Luxembourg Government, Coalition agreement 2023-2028 "Lëtzebuerg fir d'Zukunft stäerken", 16 November 2023. URL: https://gouvernement.lu/fr/publications/accord-coalition/accord-de-coalition-2023-2028/accord-de-coalition-2023-2028.html, p. 176. Ministry of Health, Ministry of Social Security, Plan National Santé, 30 June 2023, p. 35, URL: https://sante.public.lu/dam-assets/fr/publications/p/plan-national-sante-2023/minsante-rapport-plan-national-sante.pdf

¹⁰³ List of occupations experiencing a severe shortage - Reference year 2023, published in Mémorial B-1569 of 4 April 2024. URL: https://adem.public.lu/content/dam/adem/fr/publications/adem/metiers-penurie.pdf

¹⁰⁴ ADEM, New law facilitates the recruitment of third-country nationals, Press release, 1 September 2023, URL: https://adem.public.lu/en/actualites/adem/2023/09/metiers-penurie.html

⁽¹⁾ Labour Code;

⁽²⁾ amended Law of 29 August 2008 on the free movement of persons and immigration;

⁽³⁾ amended Law of 18 December 2015 on the reception of applicants for international protection and temporary protection. Published in Memorial A556 of 28 August 2023, URL: https://legilux.public.lu/eli/etat/leg/loi/2023/08/07/a556/jo

¹⁰⁵ Luxembourg Government, Coalition agreement 2018-2023, 3 December 2018, p. 130/131 URL: https://gouvernement.lu/dam-assets/fr/publications/accord-coalition/2018-2023/Accord-de-coalition-2018-2023.pdf

¹⁰⁶ Luxembourg Government, Coalition agreement 2023-2028 "Lëtzebuerg fir d'Zukunft stäerken", 16 November 2023. URL: https://gouvernement.lu/fr/publications/accord-coalition/accord-de-coalition-2023-2028/accord-de-coalition-2023-2028.html

¹⁰⁷ Ministry of Health, Ministry of Social Security, Plan National Santé, 30 June 2023, URL: https://sante.public.lu/dam-assets/fr/publications/p/plan-national-sante-2023/minsante-rapport-plan-national-sante.pdf

Stakeholder Meetings

The Luxembourg Government has recently established the High Committee for the Attraction, Retention and Development of Talent, which is chaired by the Minister for Economic Affairs, consisting of the ministerial departments concerned, as well as representatives of the private sector (first meeting in June 2024). 108

The simplification of administrative procedures related e.g. to hiring of seasonal and casual workers in the areas of specialty crops and viticulture has been approached with stakeholder meetings. Foreseen measures as proposed e.g. at the Viticulture Table (first meeting occurred in July 2024) shall optimize the connection between job candidates and agricultural, wine, and horticultural businesses, for example it shall be made possible to hire applicants for international protection (AIPs) without prior market testing and a helpline will be made available for employers to inquire about the status of people from third countries. ¹⁰⁹ These measures, however, are mixed and not only migration-related.

Fiscal

Impatriate Tax Regime: A fiscal policy specifically designed to help local businesses recruit highly qualified workers from around the world. First introduced in 2011, the regime has undergone several legislative changes. The latest version has become effective on 1 January 2021 and since then 2 100 new employees have made use of it. 110

The Government will introduce a more favourable impatriate scheme, which will come into effect on 1 January 2025. 111

Strategic Partnerships

In anticipation of future challenges of the labour market and respond to the labour shortage in the Luxembourg economy, ¹¹² the Strategic partnership in favour of employment and employability to which ADEM and the Chamber of Commerce have committed in April 2024 shall be mentioned. This partnership analyses, inter alia, the major trends in terms of skills sought on the labour market. ¹¹³ The foreseen measures, however, are mixed and not only migration-related.

Reskilling and upskilling

Complementary to immigration measures, the Government proposes to develop additional measures to reskill and upskill the capacities of the existing workforce in order to help employees adapt to the demands of changing work environments. Offers to reskill are open to Luxembourgish citizens and non-Luxembourgish residents alike (mainstream), such as the Digital Skills and Jobs Coalition Initiative (2017) or ADEM's recent cooperation with Babbel.

¹⁰⁸ Luxembourg Government, Coalition agreement 2023-2028 « Lëtzebuerg fir d'Zukunft stäerken », 16 November 2023, p. 148.

Ministry of Agriculture, Food and Viticulture, Ministry of Health and Social Security, Ministry of Labour, Simplification des procédures administratives pour l'embauche de travailleurs saisonniers: les conclusions du "Wäibaudësch", Press release, 11 July 2024, URL: https://gouvernement.lu/fr/actualites/toutes actualites/communiques/2024/07-juillet/11-hansen-mischo-waibaudesch.html

¹¹⁰ Law of 19 December 2020, concerning the State revenue and expenditure budget for the financial year 2021 amending the amended Law of 4 December 1967 on income tax. Published in Memorial A1061 of 23 December 2020 (Article 3 modifying article 115 of the amended Law on Income Tax by introducing two new points 13a and 13b), URL: https://legilux.public.lu/eli/etat/leg/loi/2020/12/19/a1061/jo#art_3
Paperjam, New impatriates scheme aims to appeal to employees, 10 September 2024, URL: https://en.paperjam.lu/article/new-impatriates-

¹¹¹ Ministry of Finance, "Entlaaschtungs-Pak. Zesummenhalt. Zukunft. Fir Jiddereen." – Gilles Roth présente un vaste paquet fiscal pour renforcer le pouvoir d'achat et la compétitivité, Press release, 17 July 2024, URL:

https://gouvernement.lu/fr/actualites/toutes actualites/communiques/2024/07-juillet/17-roth-paquet-fiscal.html

¹¹² Ibid., p. 175.

¹¹³ https://gouvernement.lu/fr/actualites/toutes_actualites/communiques/2024/04-avril/25-mischo-cc-adem.html

Luxembourg Government, Coalition agreement 2023-2028 "Lëtzebuerg fir d'Zukunft stäerken", 16 November 2023. URL: https://gouvernement.lu/fr/publications/accord-coalition/accord-de-coalition-2023-2028/accord-de-coalition-2023-2028.html, p. 128/175

Online platforms

Work-in-Luxembourg-platform: pilot project, launched in 2022. This platform directly targets talent from all over the world in national business sectors that report severe labour shortage. A new online platform is currently set up to provide information for international talent and represent a first point of entry for professionals interested in working in Luxembourg. Once the platform is ready in early 2025, it will replace the Work-in-Luxembourg-platform. ¹¹⁵

Additional of EU instruments for national instruments in addressing labour shortages

As Luxembourg is not targeting highly skilled workers only but occupations that are in high demand and for which very few or no candidates are available, it needs to focus on a number of different measures.

Skilled Driver Mobility for Europe (SDM4EU)

June 2024 - December 2024 Enabling European Private Sector—Driven Labour Mobility Schemes for Nigerian Technical Professionals (Nigerian TechPro4Europe)

April 2023 - December 2024

Implemented by ICMPD

(https://www.migrationpartnershipfacility.eu/mpf-projects/58-enabling-european-private-sector-driven-labour-mobility-schemes-for-nigerian-technical-professionals-nigerian-techpro4europe)

Luxembourg's lessons learned, good practices, and challenges from using labour migration to tackle labour shortages

Most of the measures described are fairly new or not yet in effect. Hence it is difficult or impossible to report on any experiences.

Several measures are mainstreamed (e.g. reskilling and upskilling), which makes it difficult to distil how successfully these tackled labour shortages with labour migration from third countries or with third country nationals already in Luxembourg. However, there are grounds for cautious optimism as e.g. the list of occupations in short supply was shortened from 30 occupations on 27 September 2023 to 24 on 4 April 2024, which could be the beginning of a longer lasting positive development. 116

¹¹⁵ Information obtained from the Ministry of Economy on 26 September 2024 and 15 October 2024.

¹¹⁶ Luxemburger Wort, Die Adem-Liste der Mangelberufe bewährt sich, 31 August 2024, URL: https://www.wort.lu/wirtschaft/die-adem-liste-der-mangelberufe-bewaehrt-sich/18260922.html

American Chamber of Commerce (AMCHAM), Interview: Laurent Peusch, ADEM, 18 September 2024, URL: https://www.amcham.lu/newsletter/3-guestions-about-the-spousal-work-permit/

ANNEX: STATISTICAL DATA ON LABOUR MIGRATION

Occupations which are most in need of migrant workers in Luxembourg and how they are identified

Occupations in short supply in Luxembourg 2022 – 2023

Occupations in short supply	2022	2023
C1202 – Credit analysis and banking risks	Χ	Χ
C1206 – Banking customer management	Χ	X
C1301 – Financial Markets Front Office	X	Χ
C1302 – Back and middle office management financial markets		X
F1610 – Roofing Installation and Restoration	Χ	Χ
F1611 - Façade Construction and Restoration	Χ	
H1206 – Management and engineering studies, research and industrial development	Х	Х
H2502 – Production management and engineering	Х	Х
H2903 – Machining Equipment Operation	Х	
I1304 – Installation and maintenance of industrial and operating equipment	Х	Х
I1305 – Electronic installation and maintenance	Х	
J1501 – Patient hygiene and comfort care	Х	Х
J1506 – General nursing care	Х	Х
K1104 – Psychology	Х	Х
K1201 – Social Work	Х	Х
K1202 – Early Childhood Education	Х	Х
K1207 – Socio-educational intervention	Х	Х
K1903 – Legal defence and advice	Х	Х
K2402- Research into the universe, matter and life sciences	X	
M1201 – Financial analysis and engineering	Х	Х
M1202 – Accounting and Financial Audit and Control	X	X
M1203 - Accounting	X	Χ
M1204 – Management Control	Χ	X
M1402 – Business organisation and management consultancy	Χ	
M1502 – Human Resources Development	X	Χ
M1703 – Product Management	X	
M1801 – Information Systems Administration	Х	Χ
M1802 – Information systems expertise and technical support	Х	Χ
M1805 – Computer design and development	Χ	Х
M1806 – Information systems consulting and project management	Х	Χ

Please note: This table compares the two lists. However, it does not include the underlying designations and the excluded designations. Source: Lists of occupations in serious shortage 2022, 2023 © Université du Luxembourg 2024.

This list must be updated every first quarter, based on objective data from the previous year: a) the number of vacancies declared to ADEM, b) the number of jobseekers registered for the same

job and c) the number of declared vacancies for which it has not been possible to find a candidate matching the required profile. 117

More specifically:

- 1) >= 84 positions declared
- 2) <0.8 registered job seekers per declared position and >25% of offers without assigned candidates OR <0.35 registered job seekers per declared position and >10% of job offers without candidates assigned

A profession is considered "in shortage" if the following conditions are met for the previous year (2023):

- 1) >= 24 positions declared
- 2) <0.7 registered job seekers per declared position and >25% of offers without assigned candidates OR <1.1 registered job seekers per declared position and >15% of job offers without candidates assigned. ¹¹⁸

As stipulated by the Law of 7 August 2023, for professions listed as shortage professions, ADEM will no longer be required to conduct a job market test. In such cases, the certificate will be issued within five days of receiving the application. 119

¹¹⁷ ADEM, La liste 2024 des métiers très en pénurie est publiée, 5 April 2024.

ADEM, New law facilitates the recruitment of third-country nationals, Press release, 1 September 2023, URL: https://adem.public.lu/en/actualites/adem/2023/09/metiers-penurie.html

¹¹⁸ ADEM, JobInsights.lu (pop ups on mouseovers), URL:

https://app.powerbi.com/view?r=eyJrljoiMGRiNGJjMzMtY2ZkNi00ZmRlLTljYTgtMDl3NmQyY2VkMjkwliwidCl6ImNmZjViYTQyLWNlZDktNDA2NS04 Mjl2LTBjODl4YjM4M2RjNSIsImMiOjl9&embedImagePlaceholder=true

¹¹⁹ ADEM, New law facilitates the recruitment of third-country nationals, Press release, 1 September 2023, URL: https://adem.public.lu/en/actualites/adem/2023/09/metiers-penurie.html

Law of 7 August 2023 amending the

⁽¹⁾ Labour Code;

⁽²⁾ amended Law of 29 August 2008 on the free movement of persons and immigration;

⁽³⁾ amended Law of 18 December 2015 on the reception of applicants for international protection and temporary protection. Published in Memorial A556 of 28 August 2023, URL: https://legilux.public.lu/eli/etat/leg/loi/2023/08/07/a556/jo

Foreign talent 2021-2023 broken down by economic sector (flow)

Please note that the tables below contain data on the stock of employees declared to social security according to nationality and sector, but not data on work permits.

2021 (31 March 2022)

Economic activity sector	LU - crossborder workers	EU (minus LU) - crossborder workers	TCN - crossborder workers	Undetermined crossborder workers	All crossborder workers	LU residents	EU (minus Lu) - residents	TCN - residents	Residents undetermined	All LU residents	Total
A - Agriculture,											
forestry and											
fishing	40	470	0	10	520	440	560	60	0	1060	1580
B - Mining and											
quarrying	10	140	0	0	150	40	80	0	0	120	270
C - Manufacturing	940	20300	180	120	21540	3900	5120	750	10	9780	31320
D - Electricity, gas,											
steam and air											
conditioning											
supply	70	410	0	0	480	1040	180	20	0	1240	1720
E - Water supply;											
sewerage, waste											
management and											
remediation											
activities	40	850	10	0	900	730	220	30	0	980	1880
F - Construction	890	27090	260	150	28390	4600	15290	1530	0	21420	49810
G - Wholesale and											
retail trade; repair											
of motor vehicles											
and motorcycles	1780	28530	270	230	30810	9570	9760	1420	0	20750	51560
H - Transportation											
and storage	810	13360	210	80	14460	7570	8340	840	10	16760	31220

I - Accommodation											
and food service											
activities	260	6840	210	60	7370	2170	7200	2530	0	11900	19270
J - Information and											
communication	570	10220	260	60	11110	4040	4340	1530	0	9910	21020
K - Financial and											
insurance activities	1240	22420	480	80	24220	9360	14390	3000	0	26750	50970
L - Real estate											
activities	100	1010	20	0	1130	1070	1020	120	0	2210	3340
M - Professional,											
scientific and											
technical activities	1130	19470	430	90	21120	6390	11830	3910	10	22140	43260
N - Administrative											
and support											
service activities	640	17700	330	190	18860	2690	9960	1870	0	14520	33380
O - Public											
administration and											
defence;											
compulsory social											
security	1640	1640	20	20	3320	44340	3220	340	0	47900	51220
P - Education	120	1470	90	10	1690	1590	1400	800	0	3790	5480
Q - Human health											
and social work											
activities	1790	14810	90	130	16820	18180	7230	1160	10	26580	43400
R - Arts,											
entertainment and											
recreation	80	800	20	10	910	900	550	130	0	1580	2490
S - Other service											
activities	200	2020	30	30	2280	2460	1620	340	0	4420	6700
T - Activities of											
households as											
employers;											
undifferentiated											
goods- and	_		_								
services-producing	50	680	50	10	790	680	3790	660	0	5130	5920

activities of households for											
own use											
U - Activities of											
extraterritorial											
organisations and											
bodies	10	240	10	0	260	130	370	50	0	550	810
Z - Non											
determinable	30	390	0	0	420	720	1680	590	10	3000	3420
Total	12440	190860	2970	1280	207550	122610	108150	21680	50	252490	460040

Data.public.lu, Employees, by sector of economic activity, nationality, and type of contract (*Emploi salarié par secteur d'activité, nationalité et type de contrat*), https://data.public.lu/fr/datasets/r/625acff4-2dd4-4c7b-9011-652a402fe203, accessed 10 September 2024.

2022 (31 March 2022)

Economic activity sector	LU - crossborder workers	EU (minus LU) - crossborder workers	TCN - crossborder workers	Undetermined crossborder workers	All crossborder workers	LU residents	EU (minus Lu) - residents	TCN - residents	Residents undetermined	All LU residents	Total
A - Agriculture,				33033303							
forestry and											
fishing	50	500	0	10	560	460	540	60	0	1060	1620
B - Mining and											
quarrying	10	140	0	0	150	40	80	0	0	120	270
C - Manufacturing	970	20960	210	130	22270	3710	5080	810	10	9610	31880
D - Electricity, gas,											
steam and air											
conditioning											
supply	60	440	0	0	500	1050	190	20	0	1260	1760
E - Water supply;											
sewerage, waste											
management and	50	950	10	0	1010	750	220	30	0	1000	2010

			1	1			ı	ı		1	
remediation											
activities											
F - Construction	970	28200	290	160	29620	4610	15230	1740	10	21590	51210
G - Wholesale and											
retail trade; repair											
of motor vehicles											
and motorcycles	1860	29370	310	270	31810	9520	9790	1540	0	20850	52660
H - Transportation											
and storage	890	13690	240	80	14900	7670	8890	950	10	17520	32420
I - Accommodation											
and food service											
activities	290	7200	250	70	7810	2550	7800	2800	10	13160	20970
J - Information and											
communication	600	10510	270	70	11450	4000	4270	1700	0	9970	21420
K - Financial and											
insurance activities	1300	22630	560	80	24570	9330	14740	3320	0	27390	51960
L - Real estate											
activities	110	1080	10	0	1200	1130	1020	150	0	2300	3500
M - Professional,											
scientific and											
technical activities	1200	20560	490	120	22370	6710	12460	4710	0	23880	46250
N - Administrative											
and support											
service activities	640	18410	420	190	19660	2870	10110	2080	0	15060	34720
O - Public											
administration and											
defence;											
compulsory social											
security	1850	1880	20	20	3770	45550	3350	350	0	49250	53020
P - Education	130	1530	90	10	1760	1680	1410	870	10	3970	5730
Q - Human health											
and social work											
activities	1980	16030	90	150	18250	18570	7400	1170	10	27150	45400

						1			1	1	
R - Arts,											
entertainment and											
recreation	90	900	20	10	1020	980	570	180	0	1730	2750
S - Other service											
activities	220	2120	40	30	2410	2500	1650	380	0	4530	6940
T - Activities of											
households as											
employers;											
undifferentiated											
goods- and											
services-producing											
activities of											
households for											
own use	40	720	40	20	820	670	3630	650	0	4950	5770
U - Activities of											
extraterritorial											
organisations and											
bodies	20	240	0	0	260	120	390	50	0	560	820
Z Non											
determinable	20	310	0	10	340	720	1740	710	10	3180	3520
Total	13350	198370	3360	1430	216510	125190	110560	24270	70	260090	476600

Data.public.lu, Employees, by sector of economic activity, nationality, and type of contract (*Emploi salarié par secteur d'activité, nationalité et type de contrat*), https://data.public.lu/fr/datasets/r/625acff4-2dd4-4c7b-9011-652a402fe203, accessed 10 September 2024

2023 (31 March 2023)

Economic activity sector	LU - crossborder workers	EU (minus LU) - crossborder workers	TCN - crossborder workers	Undetermined crossborder workers	All crossborder workers	LU residents	EU (minus Lu) - residents	TCN - residents	Residents undetermined	All LU residents	Total
A - Agriculture,											
forestry and											
fishing	50	510	0	10	570	480	550	70	0	1100	1670
B - Mining and											
quarrying	10	140	0	0	150	40	70	0	0	110	260
C -											
Manufacturing	980	21240	220	140	22580	3570	4960	970	0	9500	32080
D - Electricity,											
gas, steam and											
air conditioning											
supply	80	490	0	0	570	1050	210	30	0	1290	1860
E - Water											
supply;											
sewerage,											
waste											
management											
and											
remediation				_					_		
activities	50	990	10	0	1050	780	220	30	0	1030	2080
F - Construction	1010	28680	310	190	30190	4650	14670	1900	10	21230	51420
G - Wholesale											
and retail trade;											
repair of motor											
vehicles and											
motorcycles	1940	29940	350	290	32520	9380	9560	1740	10	20690	53210
H -											
Transportation	_		_								
and storage	920	13980	250	90	15240	7740	9470	1050	10	18270	33510

1-											
Accommodation											
and food service											
activities	320	7670	260	80	8330	2760	7870	3150	10	13790	22120
J - Information											
and											
communication	630	10560	300	70	11560	4040	4300	2050	0	10390	21950
K - Financial and											
insurance											
activities	1290	23160	600	90	25140	9440	15260	3840	0	28540	53680
L - Real estate											
activities	120	1160	0	10	1290	1120	960	140	0	2220	3510
M -											
Professional,											
scientific and											
technical											
activities	1250	20930	530	120	22830	6900	12970	5800	0	25670	48500
N -											
Administrative											
and support											
service activities	680	18550	450	180	19860	2880	9760	2350	0	14990	34850
O - Public											
administration											
and defence;											
compulsory											
social security	2020	2030	20	20	4090	46950	3470	410	0	50830	54920
P - Education	150	1600	90	10	1850	1730	1430	880	10	4050	5900
Q - Human											
health and											
social work											
activities	2170	17030	130	160	19490	19050	7360	1420	10	27840	47330
R - Arts,											
entertainment											
and recreation	80	980	30	10	1100	1020	580	200	0	1800	2900
		300	30	10	1100		550		ı	1000	

Labour migration in times of labour shortages in Luxembourg (January 2021 – June 2024)

				1						1	
S - Other service	220	2220	20	20	2500	2520	1610	460		4600	7100
activities	220	2220	30	30	2500	2530	1610	460	0	4600	7100
T - Activities of											
households as											
employers;											
undifferentiated											
goods- and											
services-											
producing											
activities of											
households for											
own use	50	710	50	20	830	670	3490	680	0	4840	5670
U - Activities of											
extraterritorial											
organisations											
and bodies	10	250	0	0	260	130	370	50	0	550	810
Z - Non											
determinable	20	350	20	10	400	700	1630	800	10	3140	3540
Total	14050	203170	3650	1530	222400	127610	110770	28020	70	266470	488870

Data.public.lu, Employees, by sector of economic activity, nationality, and type of contract (*Emploi salarié par secteur d'activité, nationalité et type de contrat*), https://data.public.lu/fr/datasets/r/625acff4-2dd4-4c7b-9011-652a402fe203, accessed 10 September 2024

2024 (29 March 2024)

•	'	EU (minus					EU				
	LU -	LU) -	TCN -	Undetermined	All		(minus				
Economic activity	crossborder	crossborder	crossborder	crossborder	crossborder	LU	Lu) -	TCN -	Residents	All LU	
sector	workers	workers	workers	workers	workers	residents	residents	residents	undetermined	residents	Total
A - Agriculture,											
forestry and											
fishing	50	500	0	10	560	490	510	70	0	1070	1630
B - Mining and											
quarrying	10	140	0	0	150	40	60	0	0	100	250
C -											
Manufacturing	960	20880	230	150	22220	3340	4770	980	0	9090	31310
D - Electricity,											
gas, steam and											
air conditioning											
supply	80	520	0	0	600	1070	210	30	0	1310	1910
E - Water supply;											
sewerage, waste											
management and											
remediation											
activities	50	990	10	10	1060	810	220	40	0	1070	2130
F - Construction	1020	27860	330	180	29390	4440	13110	1850	10	19410	48800
G - Wholesale											
and retail trade;											
repair of motor											
vehicles and											
motorcycles	1930	30010	350	290	32580	9100	9140	1820	10	20070	52650
H -											
Transportation											
and storage	960	14280	260	90	15590	7820	9650	1160	10	18640	34230
1-											
Accommodation											
and food service											
activities	370	8050	290	90	8800	2930	7760	3450	10	14150	22950

J - Information											
and											
communication	670	10920	320	70	11980	4160	4350	2180	0	10690	22670
K - Financial and											
insurance											
activities	1320	23280	630	90	25320	9530	15470	4220	0	29220	54540
L - Real estate											
activities	120	1100	20	10	1250	1010	910	140	0	2060	3310
M - Professional,											
scientific and											
technical											
activities	1280	21140	540	140	23100	7040	13080	6100	0	26220	49320
N -											
Administrative											
and support											
service activities	740	18780	460	190	20170	2920	9570	2410	0	14900	35070
O - Public											
administration											
and defence;											
compulsory											
social security	2220	2300	30	20	4570	48530	3680	420	0	52630	57200
P - Education	160	1680	90	10	1940	1780	1450	930	10	4170	6110
Q - Human health											
and social work											
activities	2350	17830	120	190	20490	19430	7380	1620	10	28440	48930
R - Arts,											
entertainment											
and recreation	100	1030	30	10	1170	1040	580	210	0	1830	3000
S - Other service											
activities	220	2280	50	30	2580	2530	1660	520	0	4710	7290
T - Activities of											
households as											
employers;											
undifferentiated											
goods- and	40	730	60	20	850	700	3340	670	0	4710	5560

Labour migration in times of labour shortages in Luxembourg (January 2021 – June 2024)

extraterritorial organisations and bodies Z - Non	20	250	0	0	270	130	380	40	0	550	820
		300		10	330	690	1520	900	10	3120	3450

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