



LUXEMBOURG KEEPS ITS AAA CREDIT RATING

Morningstar DBRS, a leading provider of independent rating services and opinions for, among others, corporate and sovereign entities, has confirmed the AAA credit rating of debt instruments issued by the Grand Duchy of Luxembourg, meaning that the country will be able to enjoy lower borrowing costs on the capital markets for at least another 12-month period.

In its analysis Morningstar DBRS confirms that Luxembourg's economy continues to rely heavily on the financial and business services sectors, which together accounted for 36% of total nominal gross value added in 2023.

Morningstar DBRS further believes that Luxembourg will manage to sustain its appeal as a financial hub due to its skilled workforce, robust legal and regulatory frameworks, and stable political environment, all this notwithstanding an expected (albeit moderate) increase of the country's debt level in the coming years. However, the agency also highlighted potential challenges resulting from comparatively large decline in domestic housing prices in tandem with high interest rates.



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