

World Workstation

Norway

FROM MOODY'S ECONOMY.COM / June 2010



Contact Us

General Inquiries

U.S. & Canada	866.275.3266 or 610.235.5000
Europe	+44.20.7772.1646
Asia/Pacific	+61.2.9270.8111
Email	help@economy.com

Executive Director

Paul Getman 610.235.5145

Chief Economist

Mark Zandi 610.235.5151

Chief Client Officer

Janet Alioto 610.235.5101

Director, Client Services

Monica Mercurio 610.235.5137

Economists

Enam Ahmed	+44.20.7772.1668
Mustafa Akcay	610.235.5117
Andrea Appeddu	+44.20.7772.1567
Patrick Armstrong	610.235.5210
Melanie Bowler	+44.20.7772.1528
Nikhilesh Bhattacharyya	+61.2.9271.8180
Michael Bratus	610.235.5236
Daniel Buehrens	610.235.5136
Juan Carlos Calcagno	610.235.5183
Andres Carbacho-Burgos	610.235.5102
Tyler Case	610.235.5170
Alaistair Chan	+61.2.9270.8148
Celia Chen	610.235.5112
Xu Cheng	610.235.5129
Matthew Circosta	+61.2.9270.8118
Steven G. Cochrane	610.235.5114
Chris Cornell	610.235.5234
Alfredo Coutino	610.235.5116
Cristian deRitis	610.235.5237
Marisa Di Natale	610.235.5175
Arijit Dutta	610.235.5184
Augustine Faucher	610.235.5105
Addison Franz	610.235.5235
Edward Friedman	610.235.5113
Juan Pablo Fuentes	610.235.5118
Bodhi Ganguli	610.235.5177
Andrew Gledhill	610.235.5141
Michael D. Helmar	610.235.5179

Scott Hoyt 610.235.5128

Tony Hughes 610.235.5133

Jimmy Jean 610.235.5191

Ben Kanigel 610.235.5239

Sara Kline 610.235.5178

Sophia Koropeckyj 610.235.5131

Chris Lafakis 610.235.5209

Christine Li +44.20.7772.1597

Juan Licari 610.235.5218

Sean Maher 610.235.5107

Eduardo J. Martinez 610.235.5127

Morgan McGowan 610.235.5126

Mark McMullen 610.235.5169

Sunayana Mehra 610.235.5244

Alexander Miron 610.235.5168

Tine Olsen +61.2.9270.8144

Tu Packard 610.235.5216

Matthew Robinson +61.2.9270.8159

Tiago Severo 610.235.5238

Virendra Singh 610.235.5181

Aaron D. Smith 610.235.5187

Martin Soler Garcia 610.235.5125

Ruth Stroppiana +61.2.9270.8144

Brendan Sweeney 610.235.5155

Ryan Sweet 610.235.5213

Mekael Teshome 610.235.5240

Nathan Topper 610.235.5140

Zach Witton +44.20.7772.1678

Stephen Zeller 610.235.5220

Michael Zoller 610.235.5228

Sales Inquiries

Oliver Cantrell +44.20.7772.1651

Brett Hampson 610.235.5138

Robin Heid 610.235.5186

Michael Kubiak 610.235.5132

Mike McDermott 508.928.1410

Michael Shaak 610.235.5150

Jeff Skodnik 678.366.4352

Our Products

Consulting Services

Client Presentations
Consumer Credit Analysis
Economic Development Analysis
Market Analysis
Product Line Forecasting

Forecast Databases

Case-Shiller® Home Price Indexes
Consumer
Countries
County
CreditForecast.com
Industry
Metro
State
U.S. Macro/Financial

Real-Time Monitors

Consumer Flow® (www.consumerflow.com)
Dismal Scientist® (www.dismal.com)

Historical Databases

American Bankers Assoc. Delinquency
Asia
Canadian National
Edison Electric Institute
Euro zone
Europe
Global
Global Macro
Japan National
Mexico National
North America
South America
U.S. National
U.S. Regional
U.K. National

Models

Moody's CreditCycle™
U.S. Macro Model
U.S. State Model

Publications

Global Cities
Précis® Macro
Précis® Metro
Précis® State
Regional Financial Review®

Workstations & Monitors

Housing Monitor
Industry Workstation
World Workstation

The Recovery Takes a Breather

BY MEKAEL TESHOME

- » Declining investment, petroleum output, and exports are slowing Norway's recovery.
- » Strong public sector spending and resilient household consumption are supporting the mainland economy.
- » A second European recession will keep the recovery on weak legs.

Recent Performance

The Norwegian recovery weakened more than expected in the opening months of the year as fixed investment, petroleum output, and exports declined. Seasonally adjusted real GDP contracted 0.1% on a quarterly basis in the first stanza following expansions of 0.1% and 0.5% in the fourth quarter and third quarters, respectively. The mainland economy, which excludes oil and gas industries, grew at a slower pace to 0.1% from 0.3% in the fourth quarter.

The weaker than expected growth in the first quarter is a sober reminder that despite its oil wealth, the Norwegian economy is not immune to the debt crisis that is engulfing many countries in Europe. Export-dependent manufacturing is in an extended slump, in contrast with other industrialized economies that have seen a strong recovery in manufacturing. A strong krone (it appreciated about 15% against the euro in 2009 and 4% more this year) is hurting the country's export-competitiveness at a time when external demand is fragile. The purchasing managers' index, a key production indicator, barely surpassed the growth-neutral level three times in the past 12 months. In contrast, Sweden's PMI has been in expansionary territory since June 2009, indicating that Swedish manufacturing is accelerating. Weak external demand also accounts for the steep drop in investment spending, especially in ocean transport.

Yet, remarkably resilient domestic consumption spending is keeping the mainland economy on the recovery track despite the recent hiccups in exports and investment.

Strengths & Weaknesses

STRENGTHS

- » Growing IT industry.
- » Large government pension fund provides a steady income stream.
- » Well-educated and productive workforce.

WEAKNESSES

- » Aging population generates high pension liabilities.
- » Overly dependent on oil industry.
- » Strong incentives to claim disability status drain labor resources.

Forecast Risks

Short-term ↓

Long-term ↓

UPSIDE

- » Public sector expansion supports private consumption growth.
- » Rising equity market rebuilds wealth.

DOWNSIDE

- » Global recovery falters, weighing on commodity prices and oil investment.
- » Stronger krone undermines export competitiveness.

Even though the unemployment rate unexpectedly rose to 3.7% in April from 3.4% in January, the jobless rate is still the lowest in Europe. This is putting a floor under consumer spending, enabling household consumption to move the economy forward even if at a more moderate pace than in the previous three quarters. Also, thanks to large oil sur-

pluses in the sovereign wealth fund, the Norwegian government is able to keep spending elevated without increasing public debt.

Staying the course

The Norges Bank is forging ahead with plans to normalize monetary policy, even though Norway's expansion has softened considerably. Central bankers believe the key policy rate should be as high as 2.5%. The central bank raised the sight deposit rate by 25 basis points in May to 2%. Norges Bank was the first in Europe to raise interest rates. The most recent rate hike is the third since October; the rate increases now total 75 basis points.

Slack in the labor market, decreasing electricity prices, and a strong currency have been cooling consumer price inflation in recent months, but inflation remains uncomfortably close to the Bank's 2.5% target. Central bankers worry the krone's appreciation will unwind and increase import prices. Adding to their argument, the latest survey of bank lending shows credit standards for enterprises continues to ease. Household credit growth is also strong, even if credit conditions for households have tightened somewhat.

All told, even though Europe's sovereign debt crisis weighs on the outlook, inflation concerns will be higher on the Norges Bank's watch list, unless conditions change significantly for the worse. The central bank reckons that as long as oil prices stay near current levels, it could unwind monetary support without derailing the recovery and ensure that inflation in the medium term does not exceed the target.

Outlook

The Norwegian economy is forecast to grow 0.5% this year and 1.7% in 2011. Forecasts for GDP growth in 2010 and 2011 have been marked down owing to the precarious fiscal situation in a number of European countries. Even though Norway exited recession earlier than other European countries, the expansion will be held back by weak recoveries among its trading partners. Premature unwinding of fiscal stimulus coinciding with the waning of temporary boosts such as inventory restocking will adversely affect economic activity in the region, sending Europe back into a moderate recession near the end of the year. Weak external demand from the U.K., Germany, France and the Netherlands—the destination for more than 60% of Norway's exports—will weigh on the recovery later this year.

Manufacturing orders are still falling, pointing to industrial weakness in the near term. As a result, capacity utilization will be slow to recover. This will keep fixed investment weak throughout the year, with a stronger recovery expected only in 2011. Firms are unlikely to expand payrolls consistently until mid-2011, when confidence in the European recovery strengthens.

Petroleum investment will likely decline this year and next, as a number of projects have been delayed. The supply of crude still

outpaces demand, as fragile recoveries in the industrialized economies are restraining demand. Crude oil prices will rise only to around \$82 per barrel from the current price of about \$77. Oil prices will range as high as \$95 per barrel in the next several years.

The krone's appreciation is expected to slow down in coming months, as the currency's value is significantly influenced by commodity prices, which will see limited gains in the near term. The currency is expected to remain stronger than its historical average over the next two years as Norwegian interest rates rise relative to the euro zone and the U.S. Also, concerns over the fiscal health of a number of European countries will weigh on the euro.

Fiscal expansion will remain the impetus for the Norwegian recovery. Because large oil surpluses enabled the government to mount an aggressive fiscal stimulus without increasing the public debt burden, the government will have no need to reverse its stimulus. The latest budget increases public spending by 0.6% from the previous fiscal year. The non-oil deficit will be 5.7% of the sovereign wealth fund, Government Pension Fund Global. Under normal circumstances, the deficit target is 4% of the GPFG's value.

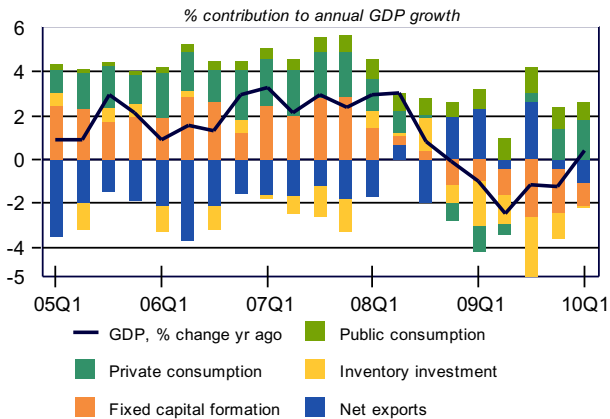
Reinforced by government spending, private consumption will also drive growth in 2010 and 2011. Household spending will be

supported by historically low interest rates and a rebuilding of wealth. Home prices are rising strongly, helping to rebuild household wealth and strengthen consumer confidence.

The key policy rate is expected to gradually rise to 2.5% by the end of the year. Norges Bank will likely tread carefully as the second European recession unfolds, but no change in plans to unwind monetary stimulus are expected, unless conditions in Europe turn for the worse. Low capacity utilization and a strong krone will keep inflation subdued in the near term. However, Norges Bank will keep its eye on medium-term inflation and will place the onus of additional economic stimulus, if any is needed, on the Treasury, which has ample petroleum funds to support the recovery without creating macroeconomic imbalances.

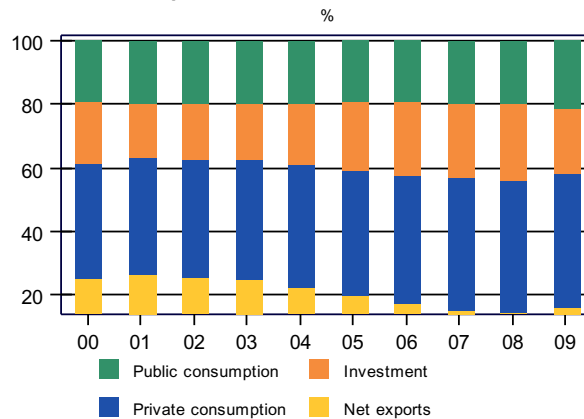
Downside risks to the outlook predominate. In particular, demand from Norway's trading partners could suffer for longer than expected if Europe's sovereign debt threat is not contained. Also, the global recovery and its effect on energy demand will be the primary driver of energy prices. Mixed economic news from the U.S. and Europe imply the global recovery is fragile and growth is inconsistent. If the global recovery stumbles, oil price growth will likely be more subdued than expected; this would lead to a substantial decline in oil investment.

Chart 1 Contribution to GDP Growth: Demand Side



Source: Statistics Norway; Transformation: Moody's Analytics

Chart 2 Composition of Real GDP: Demand Side



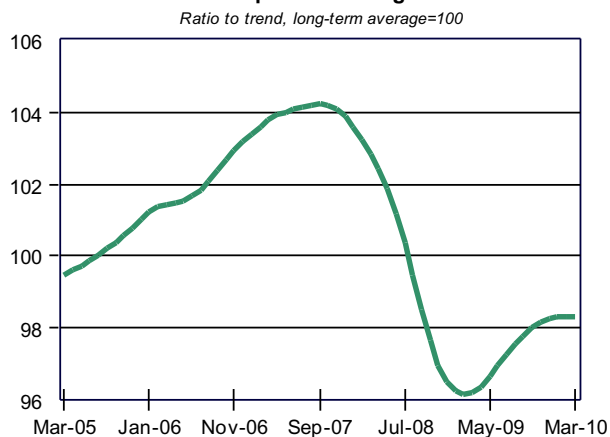
Source: Statistics Norway; Transformation: Moody's Analytics

Chart 3 Composite Index of Coincident Indicators



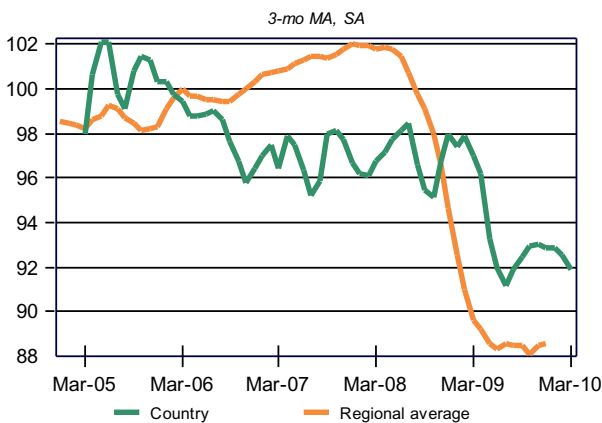
Source: Moody's Analytics

Chart 4 OECD Composite Leading Indicator



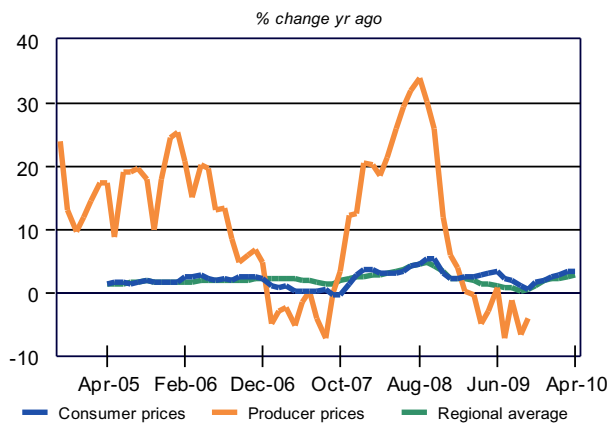
Source: OECD: Main Economic Indicators

Chart 5 Industrial Production Index



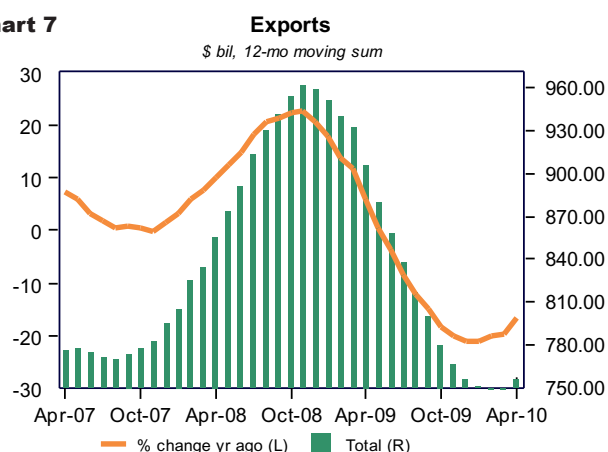
Source: Statistics Norway; Transformation: Moody's Analytics

Chart 6 Inflation



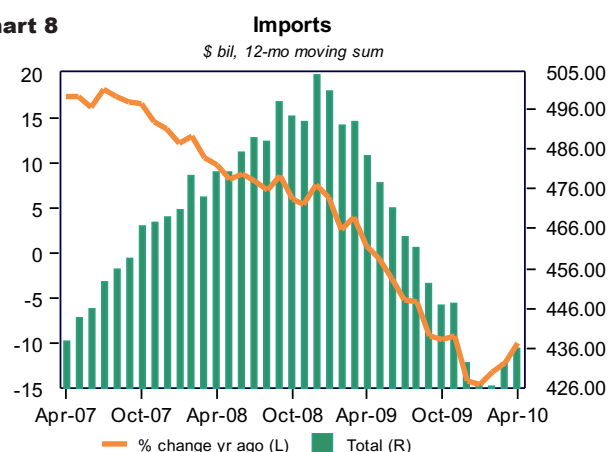
Source: Statistics Norway

Chart 7



Sources: Statistics Norway, IMF: International Financial Statistics;
Transformation: Moody's Analytics

Chart 8



Sources: Statistics Norway, IMF: International Financial Statistics;
Transformation: Moody's Analytics

Norway - Merchandise Exports: Major Commodity

Last updated on: 6/1/2010

Annual Indicators	Units	2009
Commodity		
Mineral Fuels	\$ mil	78,371.1
share of total exports	%	65.1
Manufactured Goods	\$ mil	10,101.4
share of total exports	%	8.4
Machinery and Transport Equipment	\$ mil	13,525.8
share of total exports	%	11.2
Agriculture and Livestock	\$ mil	7,359.6
share of total exports	%	6.1
Chemicals	\$ mil	5,906.5
share of total exports	%	4.9
Total	\$ mil	120,317.6

Source: Statistics Norway

Norway - Merchandise Imports: Major Commodity

Last updated on: 6/1/2010

Annual Indicators	Units	2009
Commodity		
Machinery and Transport Equipment	\$ mil	27,819.9
share of total imports	%	40.5
Manufactured Goods	\$ mil	10,275.3
share of total imports	%	14.9
Misc. Manufactured Goods	\$ mil	10,647.3
share of total imports	%	15.5
Chemicals and Chemical Products	\$ mil	6,888.1
share of total imports	%	10.0
Inedible Crude Materials	\$ mil	3,956.8
share of total imports	%	5.8
Total	\$ mil	68,739.4

Source: Statistics Norway

Norway - Merchandise Exports: Major Trading Partners

Last updated on: 6/1/2010

Annual Indicators	Units	2009
Country		
United Kingdom	\$ mil	29,312.8
share of total exports	%	24.3
Germany	\$ mil	16,173.5
share of total exports	%	13.4
Netherlands	\$ mil	13,119.5
share of total exports	%	10.9
France	\$ mil	10,314.7
share of total exports	%	8.5
United States	\$ mil	5,819.6
share of total exports	%	4.8
World	\$ mil	120,709.6

Source: IMF: Direction of Trade

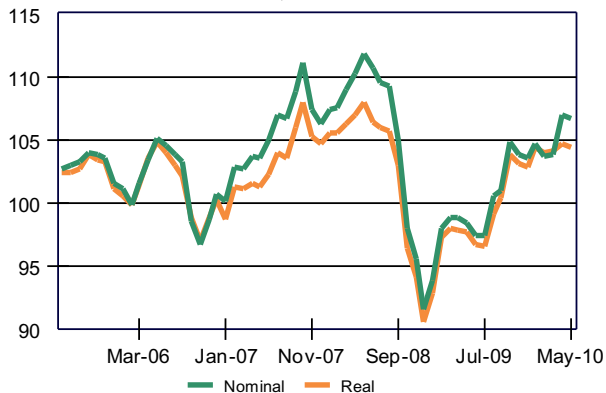
Norway - Merchandise Imports: Major Trading Partners

Last updated on: 6/1/2010

Annual Indicators	Units	2009
Country		
Sweden	\$ mil	9,493.7
share of total imports	%	13.9
Germany	\$ mil	8,828.9
share of total imports	%	12.9
Denmark	\$ mil	4,644.1
share of total imports	%	6.8
United Kingdom	\$ mil	4,113.9
share of total imports	%	6.0
China	\$ mil	5,345.0
share of total imports	%	7.8
World	\$ mil	68,506.2

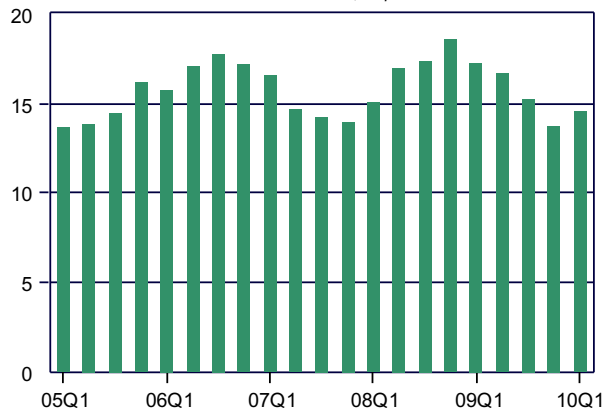
Source: IMF: Direction of Trade

Chart 9 Effective Exchange Rates
Index, Jan 2005=100



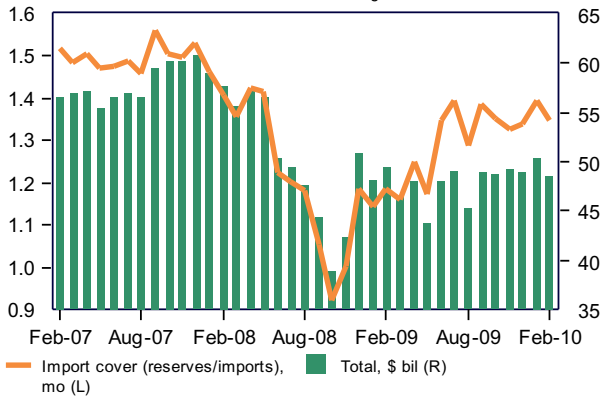
Sources: Bank for International Settlements, IMF, Moody's Analytics

Chart 10 Current Account Balance
% of nominal GDP, 4-qtr MA



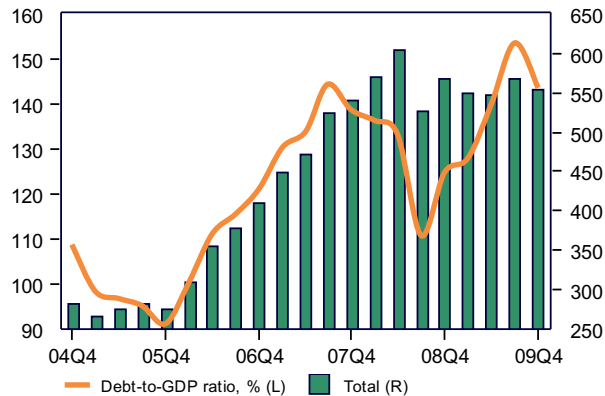
Source: Statistics Norway; Transformation: Moody's Economy.com

Chart 11 Central Bank Reserves
Total reserves minus gold



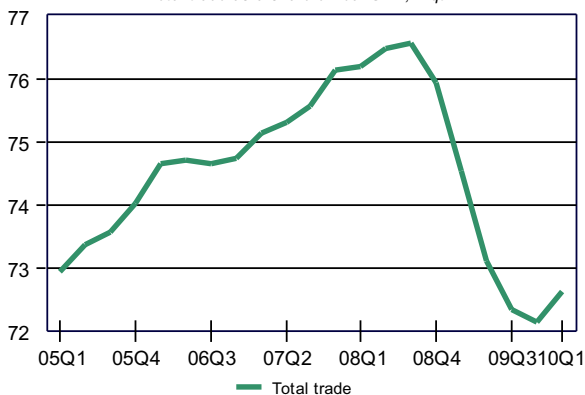
Source: IMF: International Financial Statistics; Transformation: Moody's Analytics

Chart 12 Gross External Debt
\$ bil



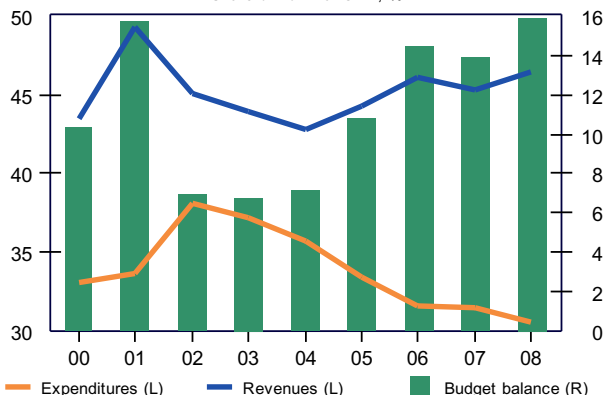
Source: World Bank

Chart 13 Economic Openness
Total trade as a share of real GDP, 4-qtr MA



Source: Statistics Norway; Transformation: Moody's Analytics

Chart 14 Government Budget Balance
Share of nominal GDP, %



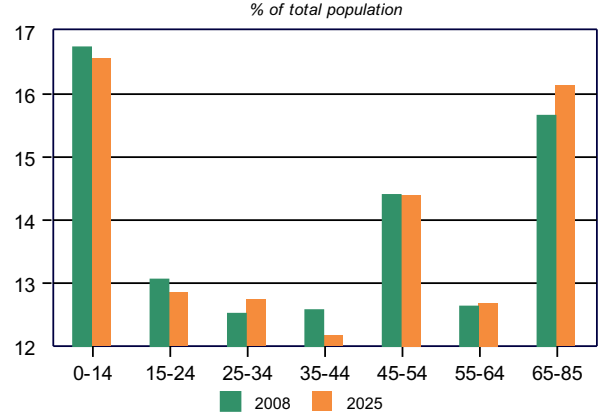
Source: Statistics Norway; Transformation: Moody's Analytics

Chart 15 Labor Force Projections



Source: U.S. Census Bureau

Chart 16 Demographic Change by Population Cohort



Source: U.S. Census Bureau

Norway - Recent Performance Indicators

Last updated on: 6/23/2010							Average Values		
Weekly Indicators	Units	19Jun10	12Jun10	5Jun10	29May10	22May10	3m	6m	12m
Exchange Rates									
Norwegian Krone per U.S. Dollar	NOK/USD	6.378	6.479	6.582	6.437	6.450	6.186	6.020	5.976
Norwegian Krone per Euro	NOK/EUR	7.862	7.835	7.851	7.962	8.143	7.928	8.035	8.315
Stock Market (end of week)									
PSI General Index	Index	414.64	408.02	401.37	401.35	392.83	417.48	414.51	391.57
Monthly Indicators									
Monthly Indicators	Units	May 10	Apr 10	Mar 10	Feb 10	Jan 10	3m	6m	12m
Industrial Production Index (SA)									
Total	2005=100	na	90.0	90.7	92.1	92.6	90.9	91.8	91.9
change	%MA	na	-0.8	-1.5	-0.5	0.2	-0.9	-0.5	-0.4
year-over-year change	%YA	na	-4.5	-5.0	-6.8	-3.7	-5.4	-5.0	-4.9
Foreign Trade (NSA)									
Exports	Mil NOK	61,298	64,130	71,481	65,919	64,367	65,636.2	65,265.6	63,477.3
change	%MA	-4.4	-10.3	8.4	2.4	-0.0	-2.1	-1.1	1.0
year-over-year change	%YA	10.0	10.1	0.1	-1.4	-8.2	6.7	-0.5	-11.9
Imports	Mil NOK	36,173	38,786	43,472	33,605	30,330	39,476.7	35,945.5	36,580.3
change	%MA	-6.7	-10.8	29.4	10.8	-8.9	3.9	-0.8	1.4
year-over-year change	%YA	7.1	11.6	15.7	-1.1	-15.1	11.5	-2.1	-6.8
Trade Balance	Mil NOK	25,125	25,344	28,009	32,314	34,037	26,159.4	29,320.1	26,897.0
Labor Force Statistics (SA)									
Unemployment Rate	%	na	3.7	3.5	3.5	3.4	3.6	3.5	3.3
Unemployment	Ths	na	95.0	92.0	90.0	88.0	92.3	89.3	85.3
change	%MA	na	3.3	2.2	2.3	1.1	2.6	1.9	1.5
year-over-year change	%YA	na	18.8	13.6	15.4	12.8	15.9	15.0	20.2
Labor Force	Ths	na	2,589	2,590	2,589	2,585	2,589.3	2,586.3	2,584.6
change	%MA	na	-0.0	0.0	0.2	-0.1	0.1	0.1	-0.0
year-over-year change	%YA	na	-0.2	-0.2	-0.2	-0.5	-0.2	-0.3	-0.2
Employment	Ths	na	2,494	2,499	2,498	2,498	2,497.0	2,497.2	2,499.4
change	%MA	na	-0.2	0.0	0.0	-0.1	-0.1	0.0	-0.1
year-over-year change	%YA	na	-0.8	-0.6	-0.7	-0.8	-0.7	-0.8	-0.7
Retail Sales Index (NSA)									
Total	2005=100	na	108.4	123.0	103.0	110.6	111.5	121.2	123.3
change	%MA	na	-11.9	19.4	-6.9	-30.8	0.2	-0.5	0.7
year-over-year change	%YA	na	-4.3	13.2	3.9	3.0	4.3	4.3	3.5
Consumer Price Index (NSA)									
All Items	1998=100	128.9	129.6	129.3	128.7	127.1	129.3	128.4	127.3
change	%MA	-0.5	0.2	0.5	1.3	0.2	0.1	0.3	0.2
year-over-year change	%YA	2.5	3.3	3.4	3.0	2.5	3.1	2.8	2.3
Producer Price Index (NSA)									
Total	2000=100	203.7	204.7	197.7	193.2	189.3	202.0	195.1	187.7
change	%MA	-0.5	3.5	2.3	2.1	3.9	1.8	1.8	1.5
year-over-year change	%YA	18.4	26.7	21.7	18.8	13.8	22.3	18.3	8.0
Money and Finance (NSA)									
Monetary Base: M0	Mil NOK	na	106,797.0	85,741.0	81,872.0	91,490.0	91,470.0	97,203.2	112,688.1
change	%MA	na	24.6	4.7	-10.5	-32.0	6.3	3.7	1.4
year-over-year change	%YA	na	-23.5	-27.5	-48.8	-35.1	-33.3	-32.0	6.3
Quarterly Indicators									
Quarterly Indicators	Units	10Q1	09Q4	09Q3	09Q2	09Q1	6m	12m	
Balance of Payments (NSA)									
Current Account Balance	Mil NOK	97,648	101,718	72,283	90,529	72,854	99,683.0	90,544.5	
National Accounts (Constant Prices, SA)									
Gross Domestic Product	Mil 2000 NOK	568,475	569,252	568,594	565,507	571,523	568,863.5	567,957.0	
Annualized growth	%AR	-0.5	0.5	2.2	-4.1	-3.4	-0.0	-0.5	
year-over-year change	%YA	-0.5	-1.3	-1.2	-2.4	-1.2	-0.9	-1.4	
Household Consumption	Mil 2000 NOK	234,620	232,973	229,944	226,972	223,997	233,796.5	231,127.3	
Annualized growth	%AR	2.9	5.4	5.3	5.4	-2.1	4.1	4.7	
year-over-year change	%YA	4.7	3.5	1.2	-1.2	-2.9	4.1	2.0	
Government Consumption	Mil 2000 NOK	123,325	122,052	122,963	121,589	120,400	122,688.5	122,482.3	
Annualized growth	%AR	4.2	-2.9	4.6	4.0	10.7	0.7	2.5	
year-over-year change	%YA	2.4	4.0	5.3	5.1	4.9	3.2	4.2	
Gross Fixed Capital Formation	Mil 2000 NOK	104,224	117,094	113,707	119,770	119,687	110,659.0	113,698.8	
Annualized growth	%AR	-37.2	12.5	-18.8	0.3	-21.2	-12.4	-10.8	
year-over-year change	%YA	-12.9	-7.8	-12.4	-6.2	-5.2	-10.4	-9.8	
Changes in Stocks and Statistical Discrepancy	Mil 2000 NOK	1,305	-7,761	-1,248	1,737	-743	-3,228.0	-1,491.8	
% of GDP	%	0.2	-1.4	-0.2	0.3	-0.1	-0.6	-0.3	
Exports of Goods & Services	Mil 2000 NOK	254,765	255,375	252,893	244,059	254,273	255,070.0	251,773.0	
Annualized growth	%AR	-1.0	4.0	15.3	-15.1	-8.5	1.5	0.8	
year-over-year change	%YA	0.2	-1.8	-1.6	-8.4	-3.9	-0.8	-2.9	
Imports of Goods & Services	Mil 2000 NOK	159,749	160,587	159,587	158,418	155,781	160,168.0	159,585.3	
Annualized growth	%AR	-2.1	2.5	3.0	6.9	-26.8	0.2	2.6	
year-over-year change	%YA	2.5	-4.6	-10.7	-11.2	-13.7	-1.0	-6.0	

Norway - Forecast Table

Last updated on: 6/23/2010

Quarterly Indicators	Units	History				Forecast							
		09Q2	09Q3	09Q4	10Q1	10Q2F	10Q3F	10Q4F	11Q1F	11Q2F	11Q3F	11Q4F	12Q1F
National Accounts													
Gross Domestic Product	Bil 05 NOK	565.5	568.6	569.3	568.5	571.1	577.1	576.5	579.8	582.6	586.3	589.5	593.4
change	%YA	-2.4	-1.2	-1.3	-0.5	1.0	1.5	1.3	2.0	2.0	1.6	2.3	2.3
Private Consumption	Bil 05 NOK	236.8	239.9	243.1	244.6	248.7	252.9	253.3	254.0	255.3	256.6	258.1	259.7
change	%YA	-1.1	1.3	3.6	4.7	5.0	5.4	4.2	3.9	2.7	1.5	1.9	2.2
Fixed Investment	Bil 05 NOK	119.8	113.7	117.1	104.2	104.6	104.6	104.2	104.6	105.5	106.3	107.3	108.4
change	%YA	-6.2	-12.4	-7.8	-12.9	-12.7	-8.0	-11.0	0.4	0.9	1.6	3.0	3.6
Changes in Inventories	Bil 05 NOK	1.7	-1.2	-7.8	1.3	0.9	2.5	1.3	3.2	3.7	4.7	4.9	6.0
% of GDP	%	0.3	-0.2	-1.4	0.2	0.2	0.4	0.2	0.5	0.6	0.8	0.8	1.0
Total Investment	Bil 05 NOK	121.5	112.5	109.3	105.5	105.5	107.2	105.5	107.8	109.1	111.0	112.2	114.4
change	%YA	-10.8	-21.9	-17.7	-11.3	-13.1	-4.7	-3.5	2.2	3.4	3.6	6.4	6.1
Government Expenditures	Bil 05 NOK	121.6	123.0	122.1	123.3	124.6	125.9	127.1	127.6	128.1	128.9	129.5	130.0
change	%YA	5.1	5.3	4.0	2.4	2.4	2.4	4.2	3.5	2.8	2.4	1.8	1.9
Domestic Demand	Bil 05 NOK	479.9	475.3	474.5	473.5	478.7	485.9	485.9	489.5	492.5	496.5	499.8	504.1
change	%YA	-2.3	-4.5	-2.2	0.1	-0.2	2.2	2.4	3.4	2.9	2.2	2.9	3.0
Exports	Bil 05 NOK	244.1	252.9	255.4	254.8	255.3	257.1	258.1	259.7	261.3	262.8	264.4	265.2
change	%YA	-8.4	-1.6	-1.8	0.2	4.6	1.7	1.1	2.0	2.3	2.2	2.4	2.1
Imports	Bil 05 NOK	158.4	159.6	160.6	159.7	163.0	166.0	167.5	169.4	171.2	173.0	174.7	175.9
change	%YA	-11.2	-10.7	-4.6	2.5	2.9	4.0	4.3	6.1	5.1	4.2	4.3	3.8
Net Exports	Bil 05 NOK	85.6	93.3	94.8	95.0	92.3	91.1	90.6	90.3	90.1	89.8	89.7	89.3
Trade													
Current Account	Bil NOK	90.5	72.3	101.7	97.6	96.7	98.4	98.2	99.0	93.8	96.1	96.9	102.6
% of GDP	%	15.7	12.4	16.2	15.9	16.0	16.0	15.9	15.9	14.9	15.1	15.1	15.8
Prices													
CPI	1998=100	125.8	125.8	126.6	128.4	127.2	127.8	128.5	130.5	129.7	130.4	131.0	133.3
change	%YA	3.1	1.8	1.4	2.9	1.1	1.6	1.5	1.7	1.9	2.0	2.0	2.1
PPI	2000=100	173.5	178.5	180.5	193.4	193.6	195.1	196.5	199.6	202.4	205.2	208.2	211.8
change	%YA	-2.2	-5.0	3.3	18.0	11.6	9.3	8.9	3.2	4.5	5.2	5.9	6.1
GDP Deflator	2004=100	102.3	102.8	110.1	108.3	105.7	106.7	107.2	107.7	108.2	108.6	109.1	109.7
change	%YA	-8.5	-6.2	-2.6	1.3	3.4	3.7	-2.6	-0.6	2.3	1.8	1.8	1.9
Export Deflator	2004=100	97.6	95.3	102.9	101.6	103.1	105.0	105.3	105.4	105.8	106.5	107.2	108.1
change	%YA	-18.6	-18.5	-12.4	-3.2	5.7	10.2	2.3	3.8	2.6	1.3	1.8	2.6
Import Deflator	2004=100	103.1	106.8	102.7	99.7	100.5	100.6	101.0	101.5	102.1	102.6	103.1	103.7
change	%YA	-1.5	-0.1	-6.4	-1.5	-2.5	-5.9	-1.6	1.9	1.5	2.0	2.1	2.1
Labor Markets													
Unemployment Rate	%	3.1	3.2	3.3	3.5	3.5	3.4	3.4	3.3	3.3	3.2	3.1	3.0
Employment	Mil	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
change	%YA	0.0	-1.0	-1.0	-0.7	-0.7	0.1	0.1	0.1	0.4	0.5	0.7	0.8
Unemployment	Mil	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
change	%YA	26.9	28.1	17.1	14.0	13.9	7.8	2.3	-4.3	-5.3	-5.4	-8.2	-8.5
Labor Force	Mil	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
change	%YA	0.7	-0.3	-0.5	-0.2	-0.2	0.3	0.2	-0.1	0.2	0.3	0.4	0.5
Wages and Salaries	Bil NOK	977	987	1,098	1,007	1,002	1,003	1,005	1,009	1,013	1,017	1,022	1,027
change	%YA	-7.4	-4.7	18.4	5.8	2.5	1.6	-8.5	0.2	1.1	1.5	1.8	1.9
Production													
Total Production	2000=100	92.0	92.4	92.7	91.8	92.5	92.8	92.9	93.1	93.4	93.7	94.0	94.4
change	%YA	-6.3	-3.1	-5.2	-5.1	0.6	0.4	0.2	1.5	1.0	0.9	1.2	1.3
Financial Markets													
Money Supply	Bil NOK	1,508	1,516	1,518	1,526	1,515	1,507	1,542	1,526	1,587	1,538	1,705	1,841
change	%YA	4.2	3.5	1.8	1.7	0.5	-0.6	1.6	-0.0	4.7	2.1	10.6	20.6
Monetary Policy Rate	%	2.67	2.25	2.47	2.75	2.92	3.00	3.00	3.00	3.10	3.30	3.50	4.10
Norwegian Kroner per U.S. Dollar	NOK/USD	6.50	6.11	5.68	5.86	5.76	5.60	5.58	5.65	5.71	5.72	5.68	5.58
change	%YA	27.9	13.7	-16.5	-14.8	-11.3	-8.3	-1.7	-3.5	-0.9	2.1	1.7	-1.2
Norway - Oslo All Share Index	Index	316	349	398	413	496	518	506	534	556	565	567	579
change	%YA	-42.0	-24.6	43.1	53.2	56.9	48.6	27.1	29.5	12.1	9.1	12.0	8.4
Conversions													
Nominal GDP	Bil NOK	578.3	584.8	626.5	615.7	603.7	615.7	618.0	624.2	630.3	637.0	643.2	651.1
change	%YA	-10.7	-7.3	-3.8	0.8	4.4	5.3	-1.4	1.4	4.4	3.5	4.1	4.3
Real GDP in Dollar Terms	Bil 05 USD	78.5	78.9	79.0	78.9	79.3	80.1	80.0	80.5	80.9	81.4	81.8	82.4
change	%YA	-2.4	-1.2	-1.3	-0.5	1.0	1.5	1.3	2.0	2.0	1.6	2.3	2.3
Nominal GDP in Dollar Terms	Bil USD	89.0	95.8	110.4	105.1	104.7	109.9	110.8	110.4	110.3	111.3	113.3	116.6
change	%YA	-30.1	-18.5	15.1	18.2	17.7	14.8	0.4	5.1	5.3	1.3	2.3	5.6

About Moody's Economy.com

Moody's Economy.com, a division of Moody's Analytics Inc., is a leading independent provider of economic research, analysis and data. As a well-recognized source of proprietary information on national and regional economies, industries, financial markets, and credit risk, we support strategic planning, product and sales forecasting, risk and sensitivity management, and investment research. Our clients include multinational corporations, governments at all levels, central banks, retailers, mutual funds, financial institutions, utilities, residential and commercial real estate firms, insurance companies, and professional investors.

With one of the largest assembled financial, economic and demographic databases, Moody's Economy.com helps companies assess what trends in consumer credit and behavior, mortgage markets, population, income, and property prices will mean for their business. Our web and print periodicals and special publications cover every U.S. state and metropolitan area; countries throughout Europe, Asia and the Americas; and the world's major cities, plus the U.S. housing market and 58 other industries. We also provide up-to-the-minute reporting and analysis on the world's major economies on our real-time Dismal Scientist web site from our offices in the U.S., the United Kingdom, and Australia. Our staff of more than 50 economists, a third of whom hold PhD's, offers wide expertise in regional economics, public finance, credit risk and sensitivity analysis, pricing, and macro and financial forecasting.

Moody's Economy.com became part of the Moody's Corporation in 2005. Moody's Economy.com is headquartered in West Chester PA, a suburb of Philadelphia, with offices in London and Sydney. More information is available at www.economy.com.

© 2010, Moody's Analytics, Inc. and/or its licensors and affiliates (together, "Moody's"). All rights reserved. ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by Moody's from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. Under no circumstances shall Moody's have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of Moody's or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if Moody's is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The financial reporting, analysis, projections, observations, and other information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell, or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation prior to investing.

World Workstation Publication Schedule

January, May, September

Canada
Colombia
Denmark
Euro zone
Finland
France
Germany
Korea
Mexico
Philippines
Poland
United States

February, June, October

Argentina
Australia
Belgium
Brazil
Czech Republic
Hong Kong
Ireland
Israel
Netherlands
Norway
Thailand
United Kingdom

March, July, November

Chile
Greece
Hungary
Japan
Malaysia
New Zealand
Portugal
South Africa
Spain
Sweden
Switzerland
Venezuela

April, August, December

Austria
China
India
Indonesia
Italy
Peru
Russia
Singapore
Taiwan
Turkey

CONTACT US

For further information contact us at a location below:

U.S./CANADA
+1.866.275.3266

EUROPE
+44 (0) 20.7772.1646

ASIA/PACIFIC
+61 2 9270 8111

OTHER LOCATIONS
+1 610.235.5299

Email us: help@economy.com
Or visit us: www.economy.com

Copyright © 2010, Moody's Analytics, Inc. All Rights Reserved.