

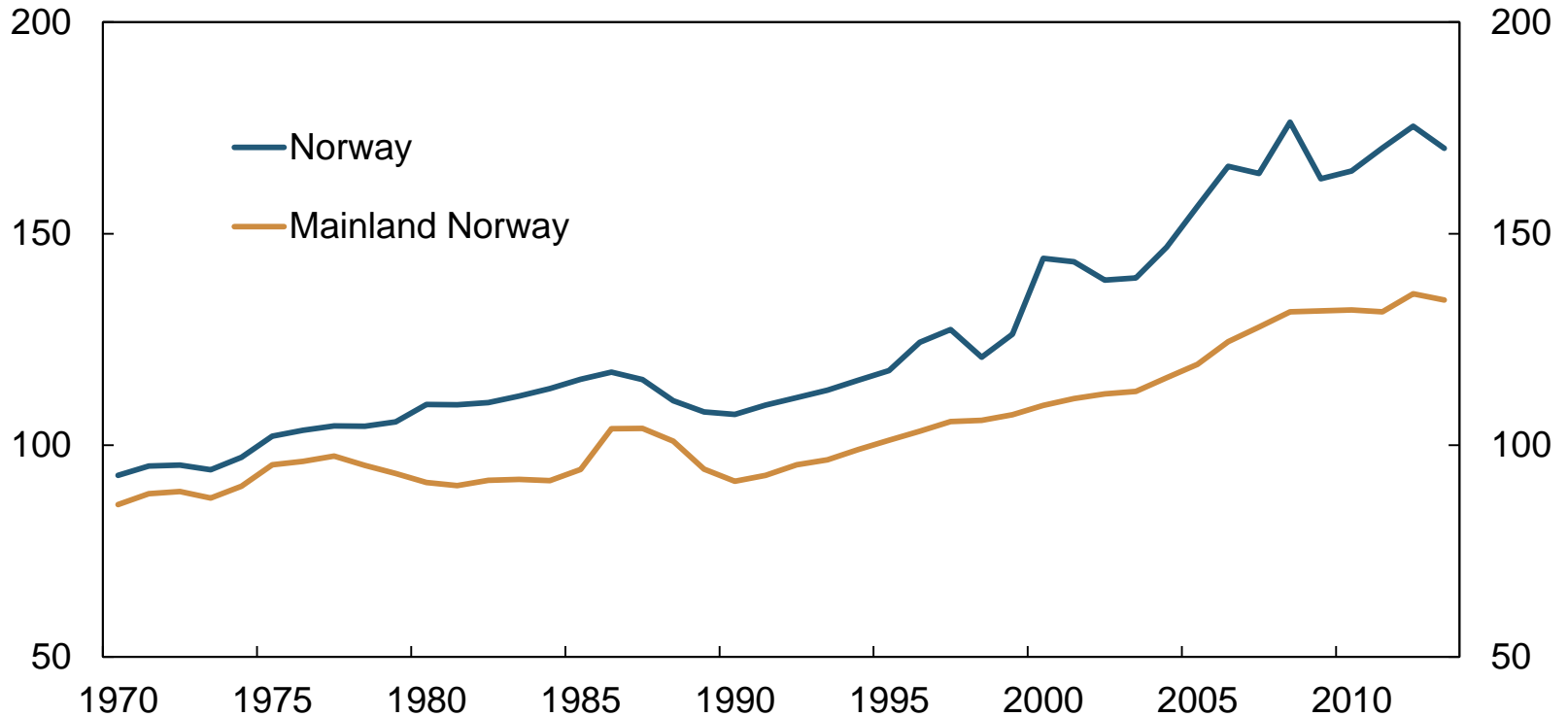


OIL AND THE NORWEGIAN ECONOMY – THE CHALLENGES AHEAD

GOVERNOR ØYSTEIN OLSEN

GDP per capita

Relative to OECD. Index. OECD = 100



Sources: Statistics Norway, OECD and Norges Bank

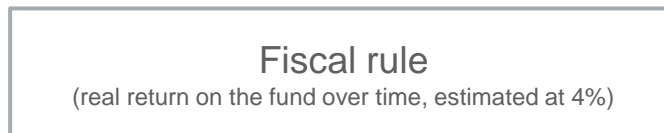


The fund mechanism

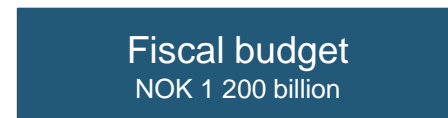
Petroleum revenues and
return on investment



Transfer to finance non-oil
budget deficit



Non-oil revenues

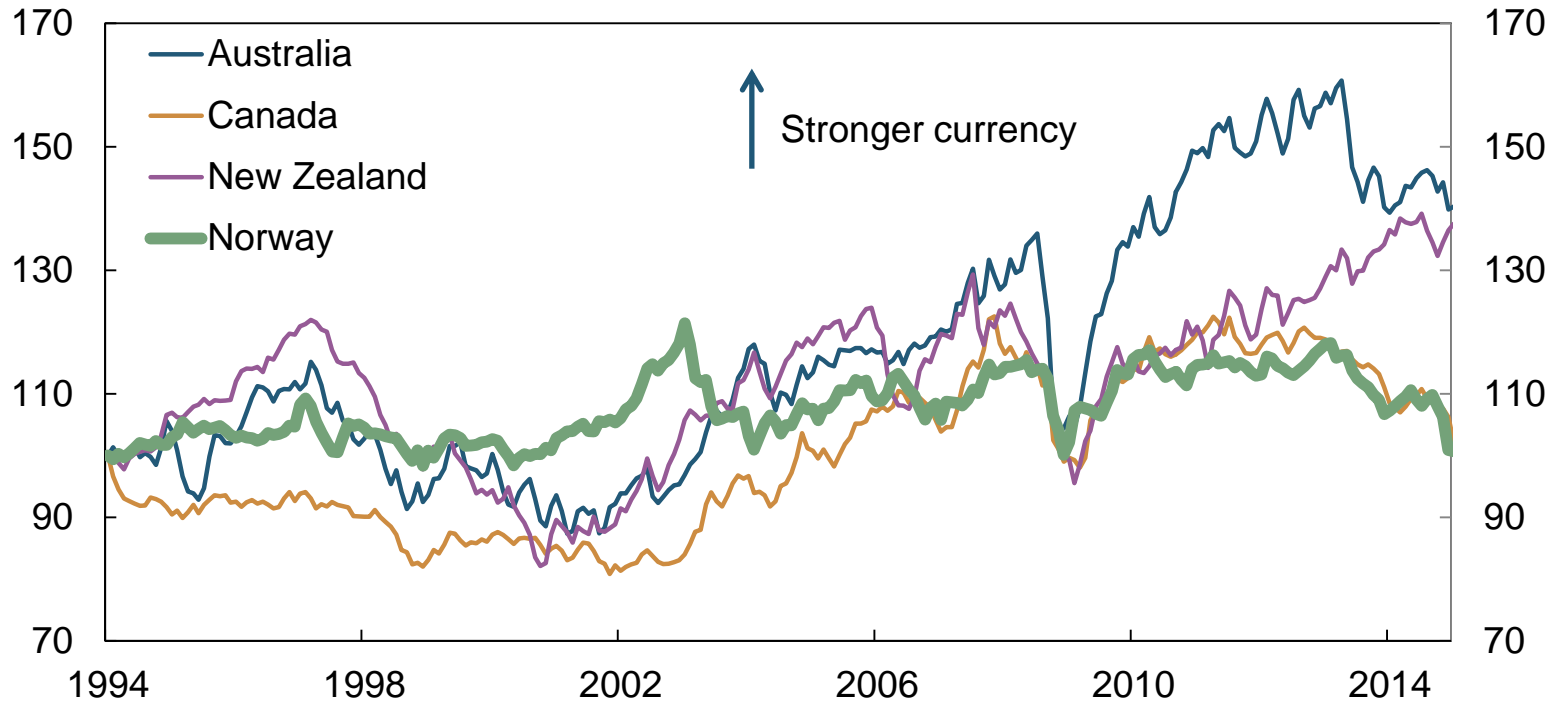


Expenditure



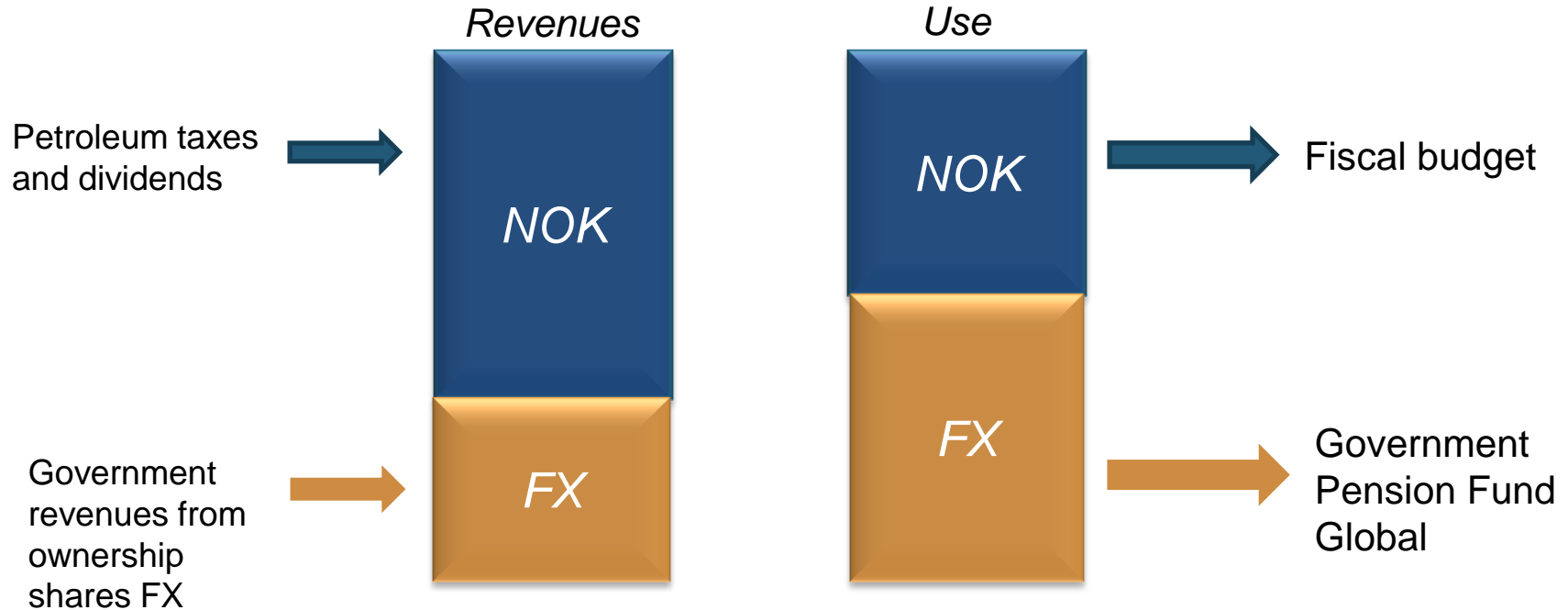
Real exchange rates

Normalised to 100 at January 1994. January 1994 - December 2014



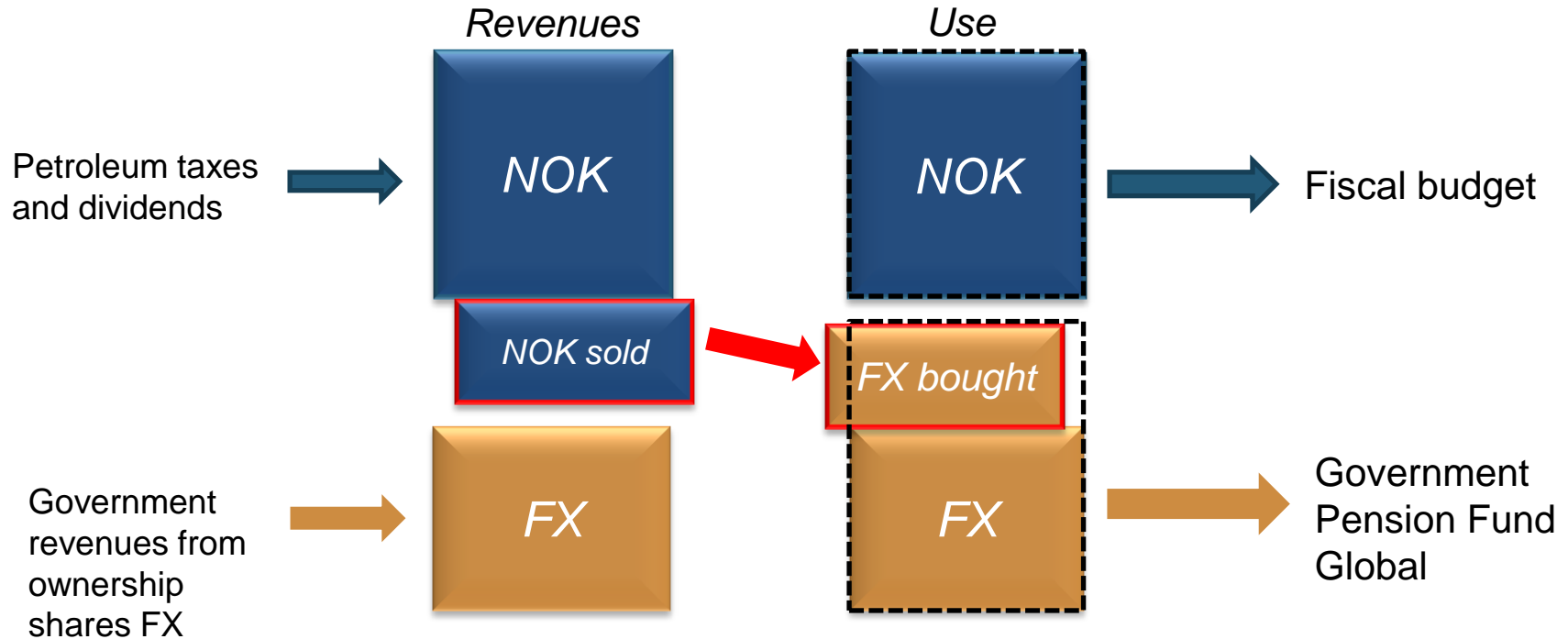
Government revenues from the petroleum sector

...and how the revenues are used



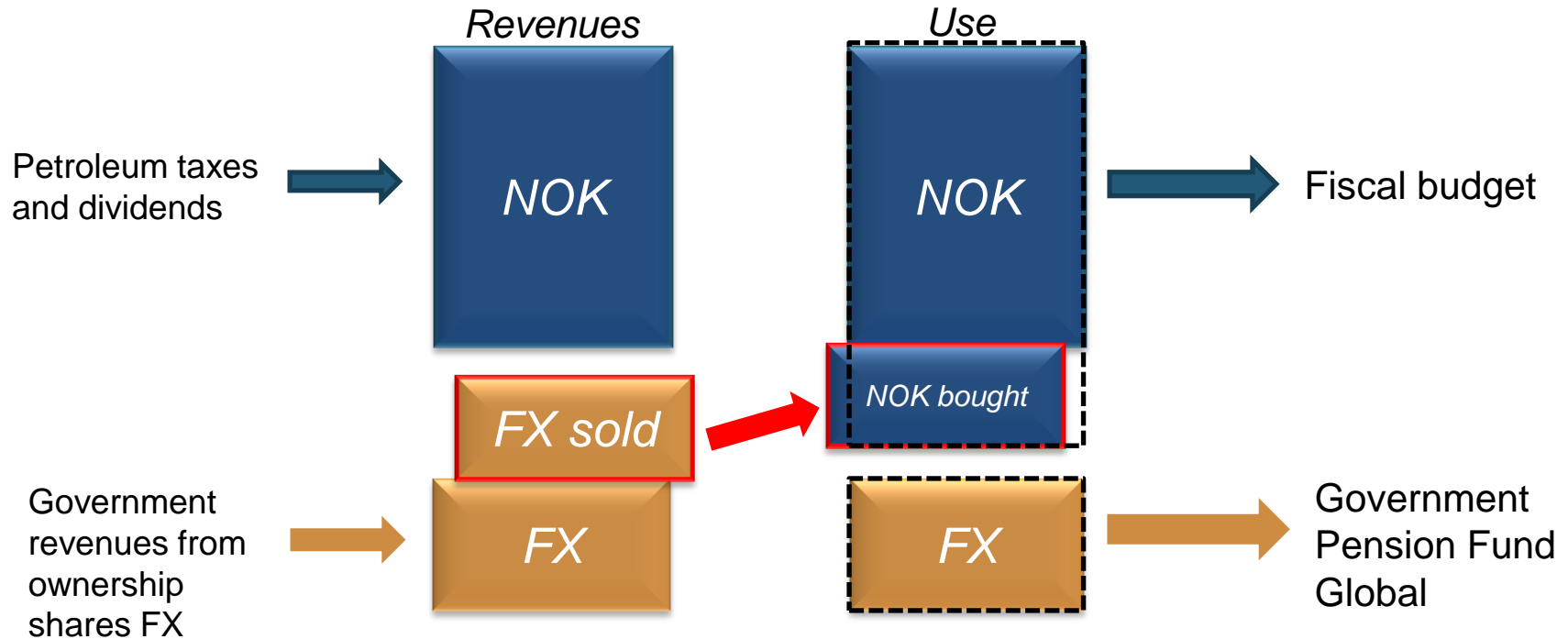
Government revenues from the petroleum sector

Up until 2014 Norges Bank converted excess NOK into FX



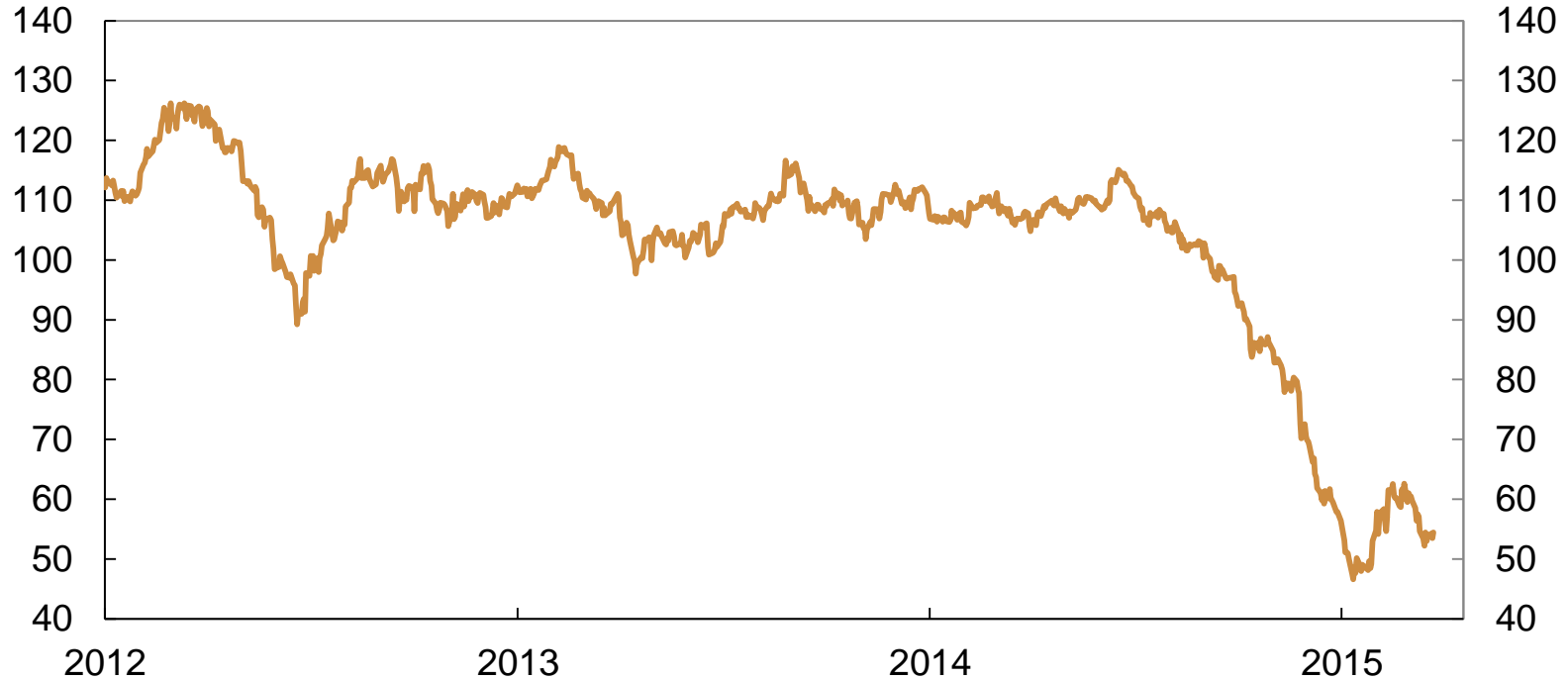
Government revenues from the petroleum sector

In 2015 Norges Bank converts FX into NOK



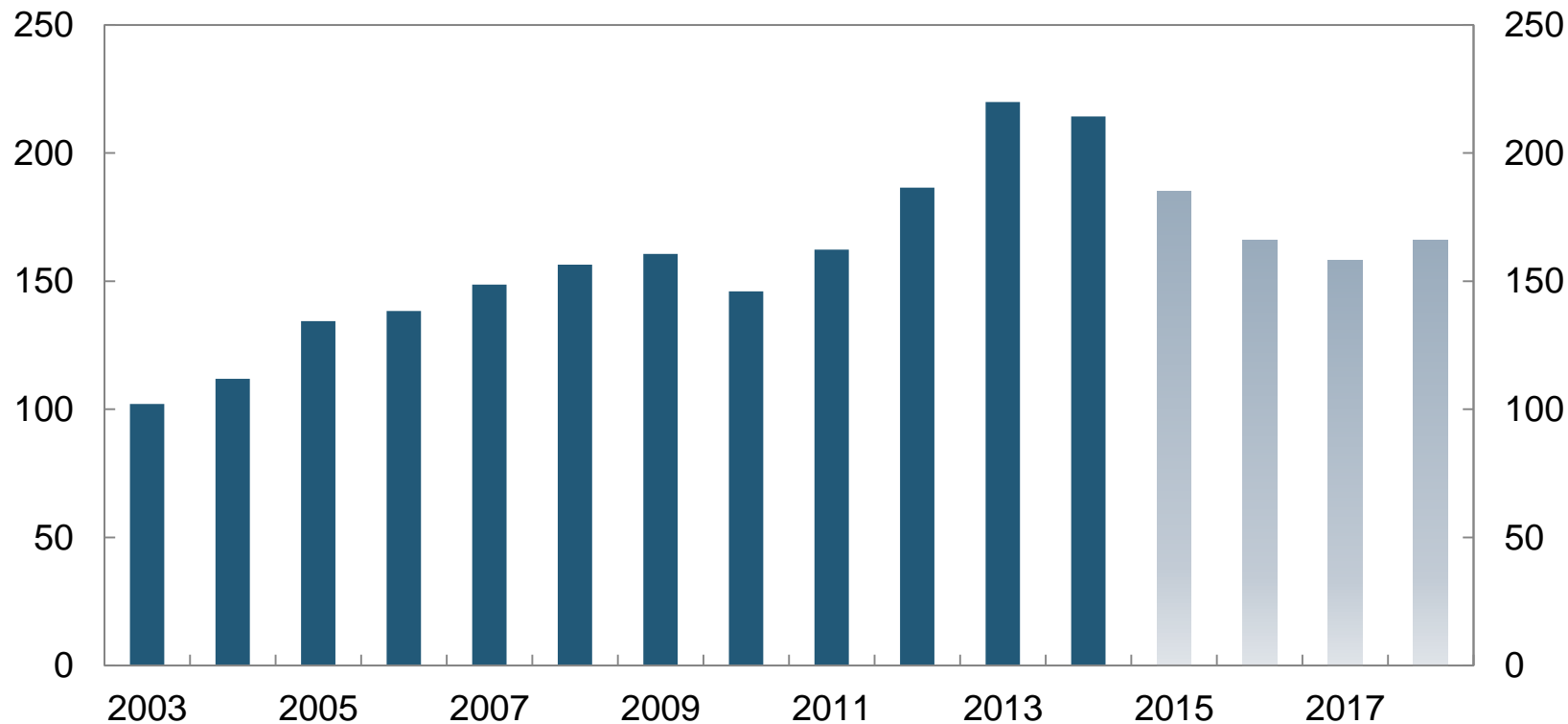
Oil price

USD per barrel. Brent Blend. 1 January 2012 – 25 March 2015



Petroleum investment

Constant 2015 prices. In billions of NOK. 2003 – 2018

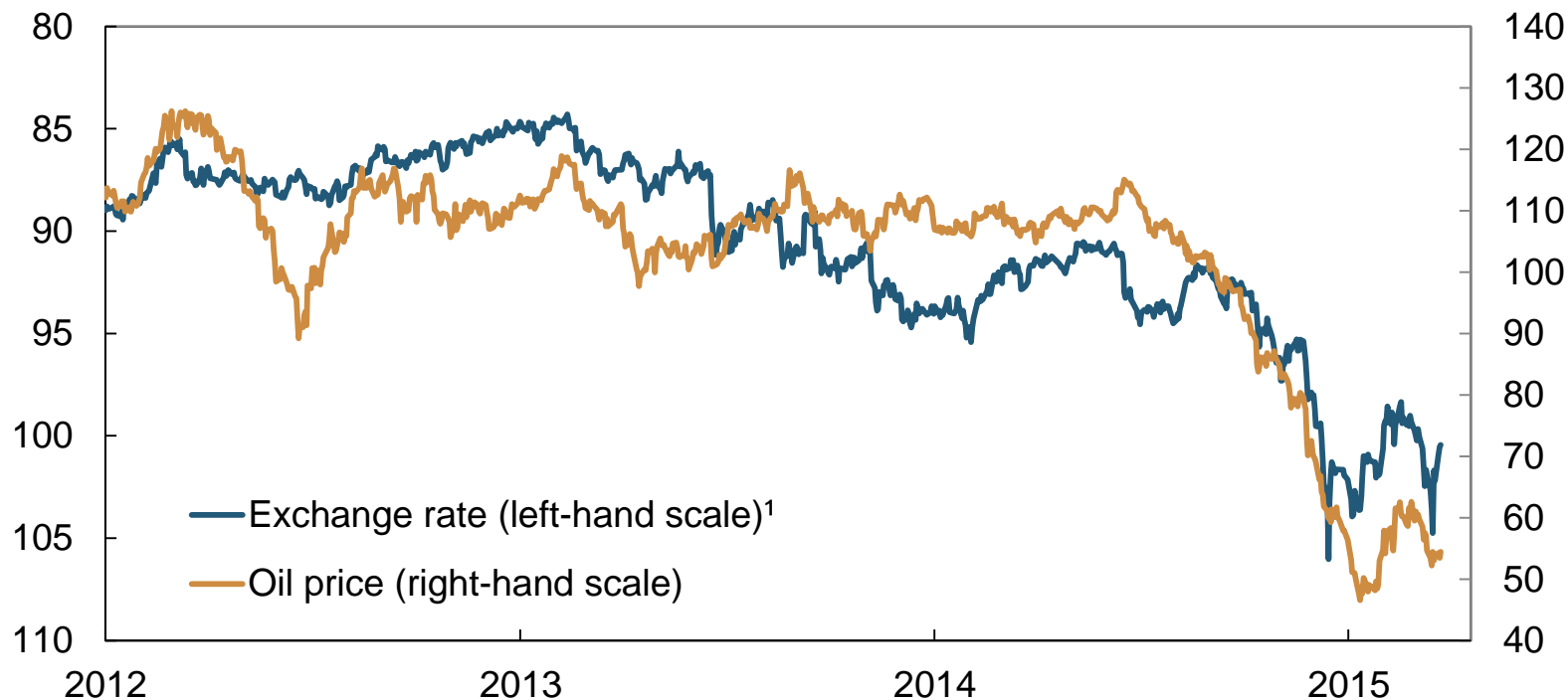


Sources: Statistics Norway and Norges Bank



Oil price and krone exchange rate (I-44)

1 January 2012 – 25 March 2015



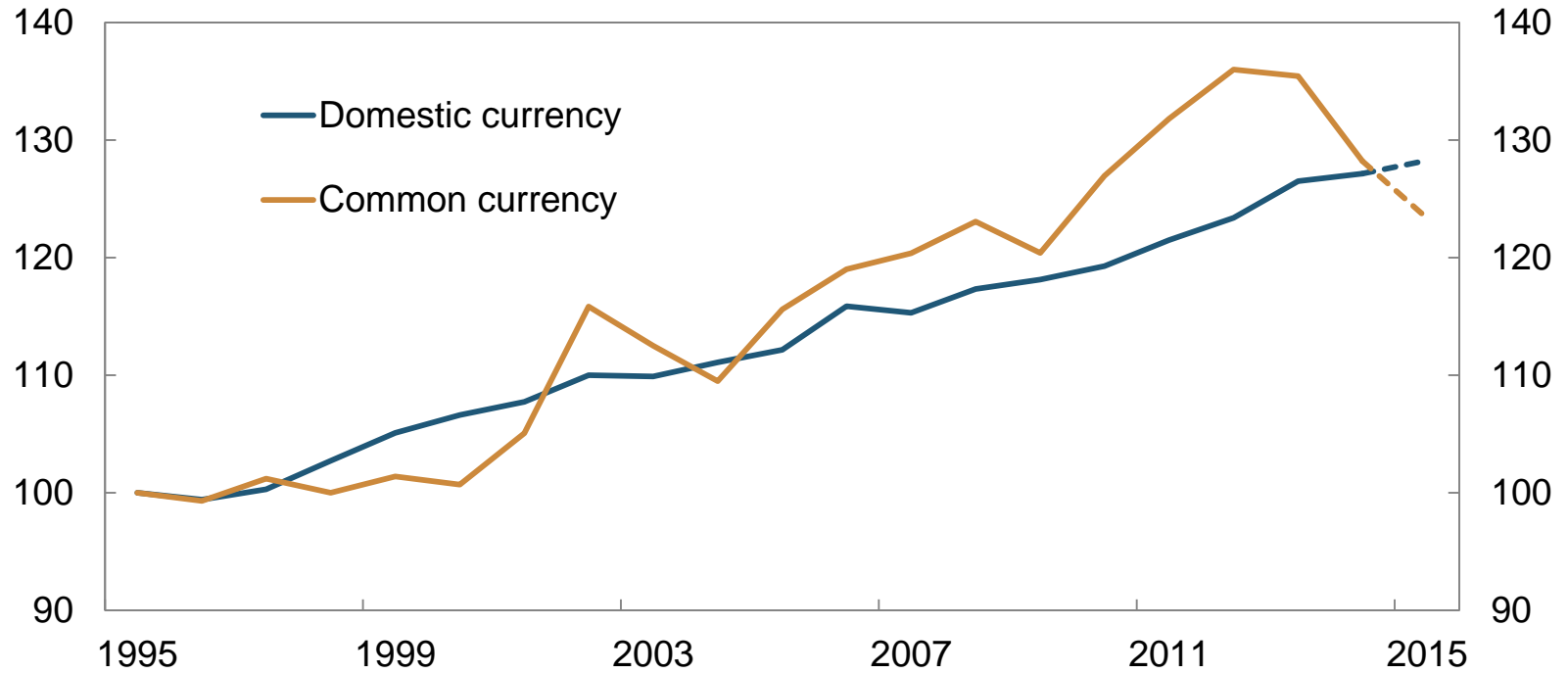
1) A positive slope denotes a stronger krone exchange rate

Sources: Norges Bank and Thomson Reuters



Labour costs relative to trading partners

Hourly labour costs. Index. 1995 = 100. 1995 – 2015¹⁾



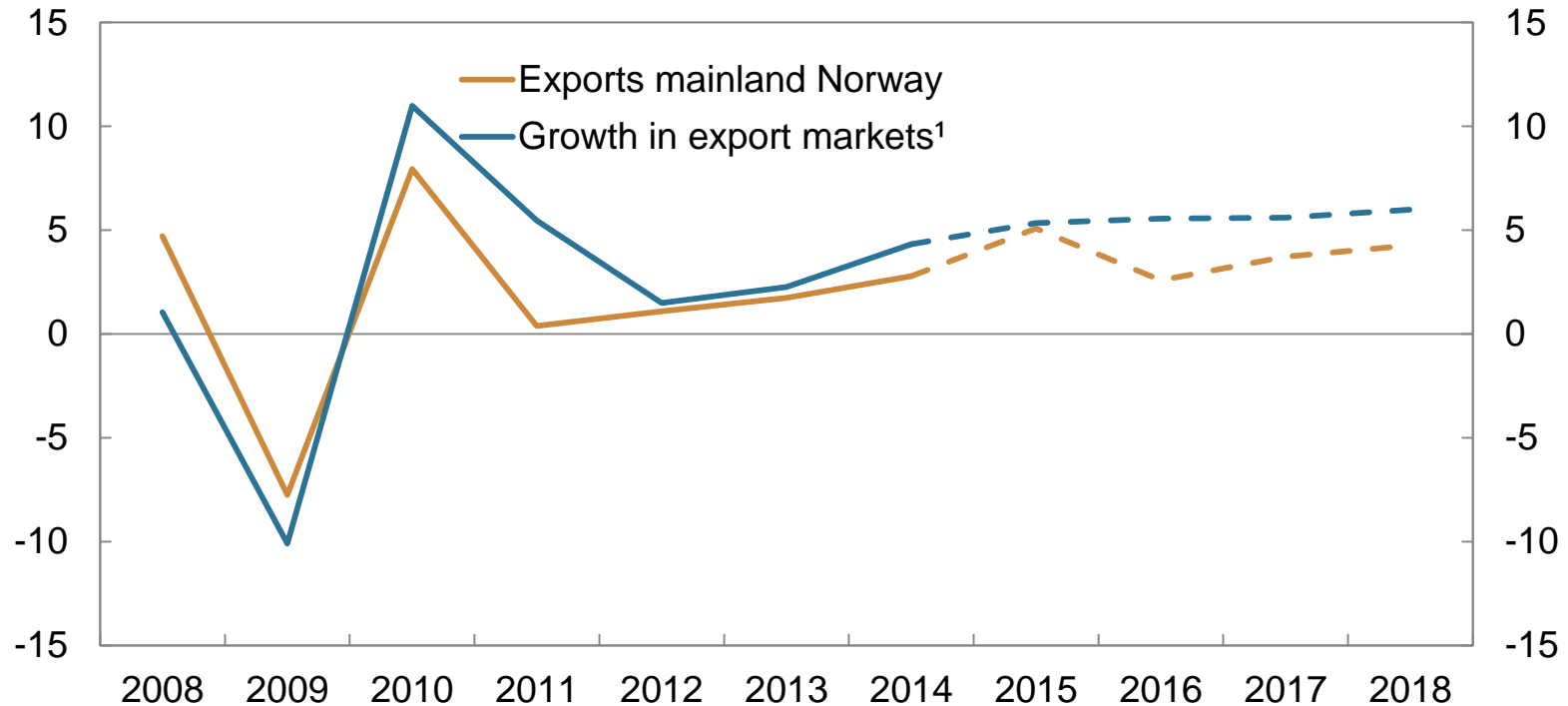
1) Projections for 2015

Sources: TBU, Statistics Norway and Norges Bank



Mainland exports and export market growth

Annual change. Percent. 2008 - 2018



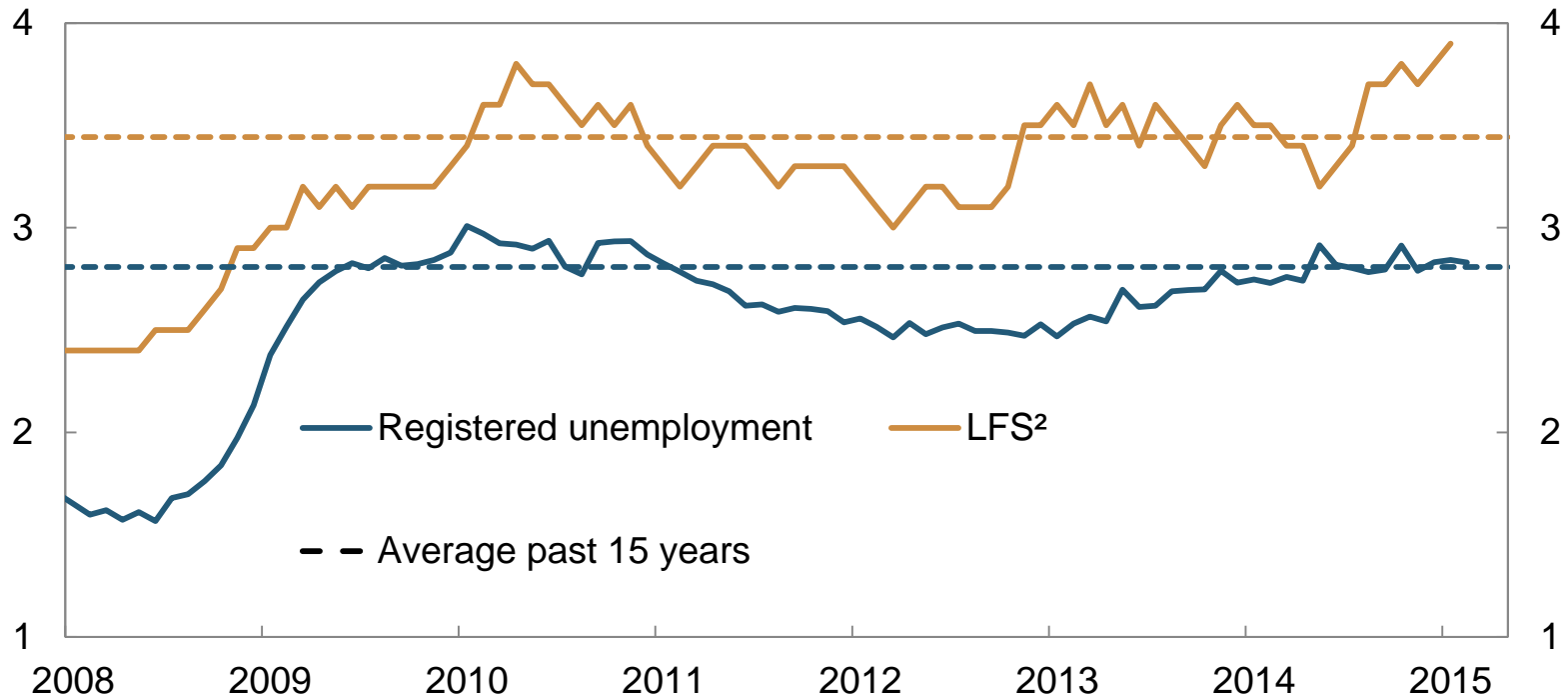
1) Export market growth is calculated as import growth among 25 trading partners

Sources: Thomson Reuters and Norges Bank



Unemployment

Percentage of labour force.¹⁾ January 2008 – February 2015



1) Seasonally adjusted

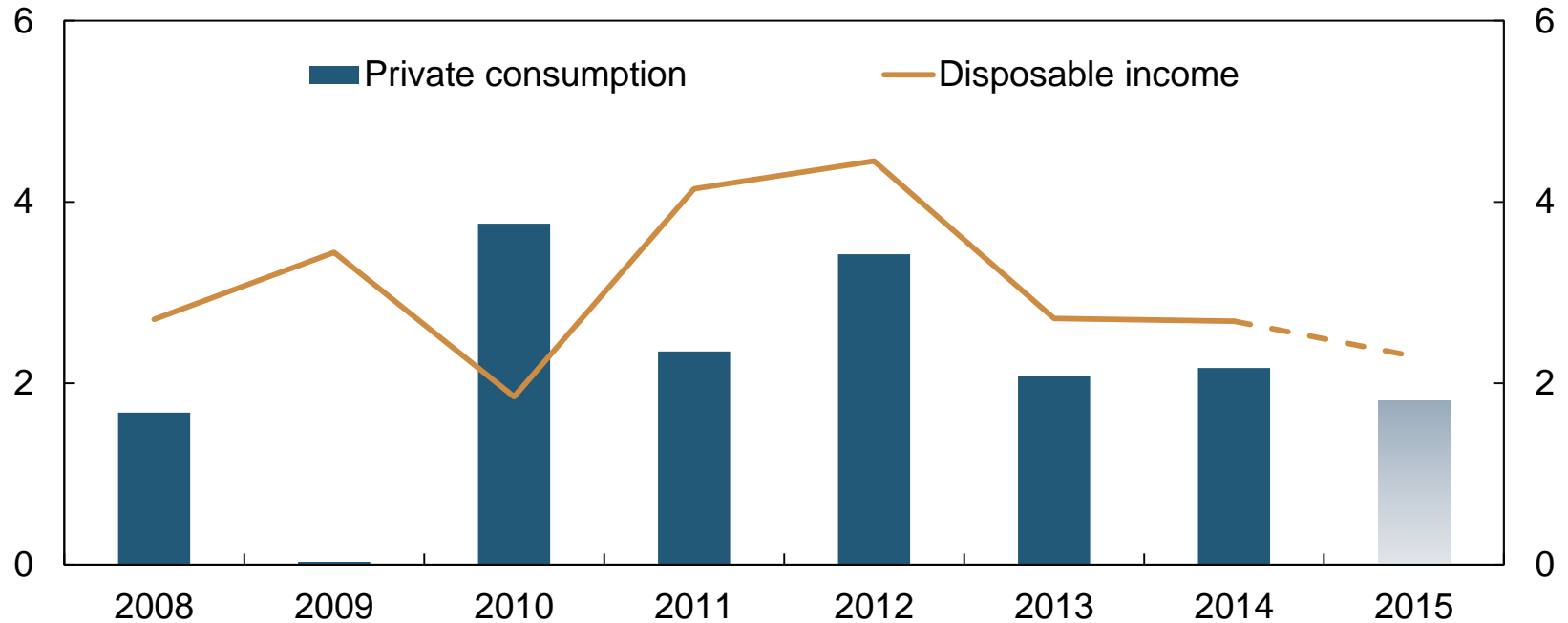
2) Labour Force Survey

Sources: NAV (Norwegian Labour and Welfare Administration) and Statistics Norway



Households

Private consumption¹⁾ and disposable income²⁾. Annual growth. Percent



1) Including consumption for non-profit organisations. Volume

2) Excluding dividend income. Including income for non-profit organisations

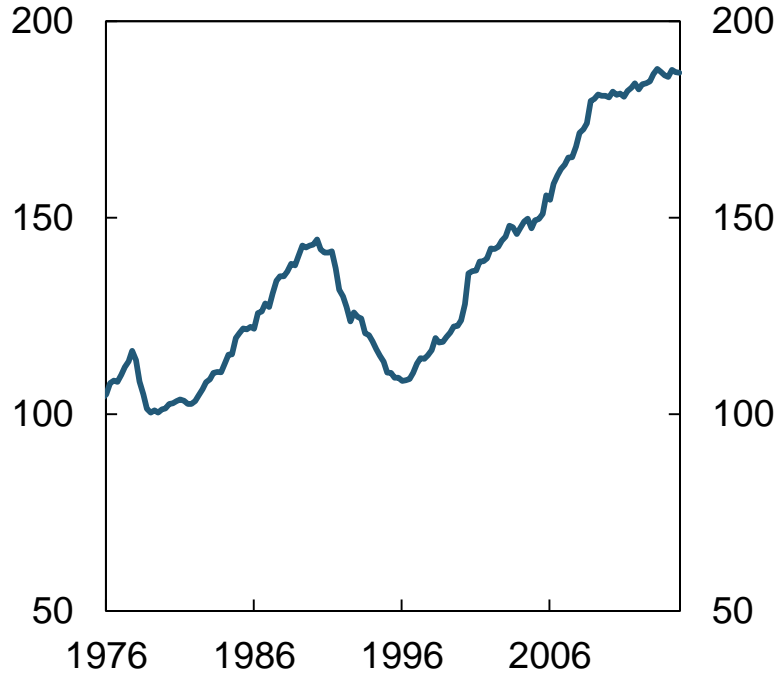
Sources: Statistics Norway and Norges Bank



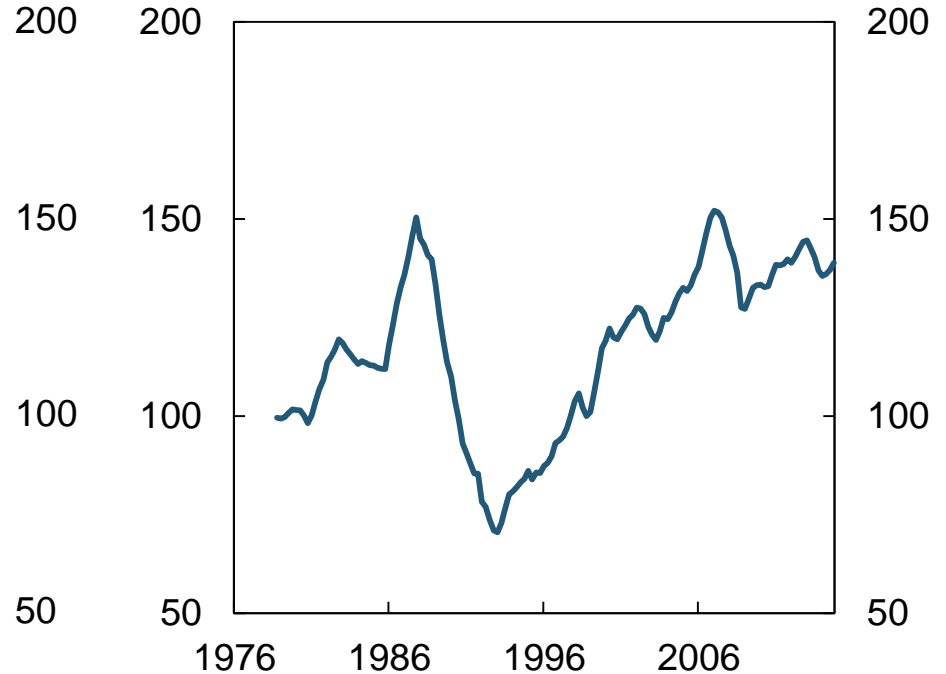
Credit and house prices

Percent

Credit/GDP



House prices/disposable income

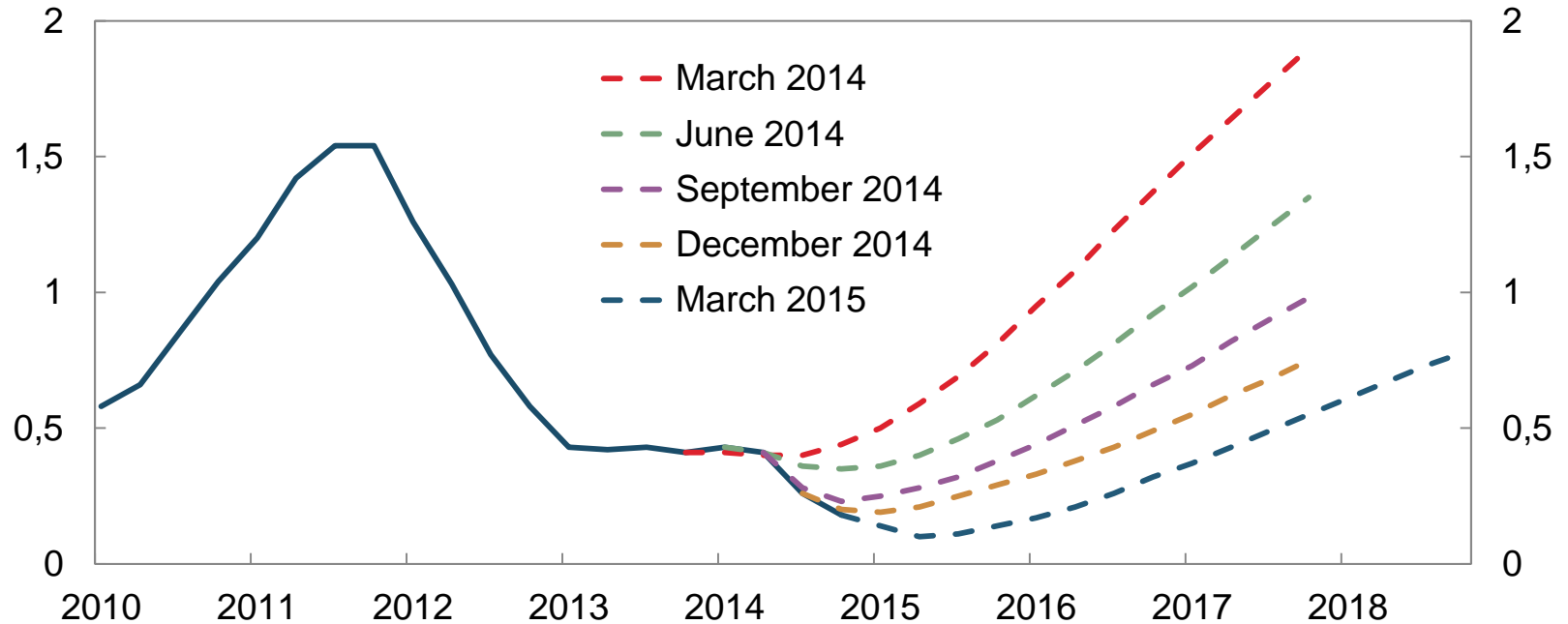


Sources: Statistics Norway, Eiendom Norge, Norwegian Association of Real Estate Agents (NEF), Finn.no, Eiendomsverdi and Norges Bank



Money market rates for trading partners

Three-month rates. Percent. 2010 Q1 – 2018 Q4



Sources: Thomson Reuters and Norges Bank



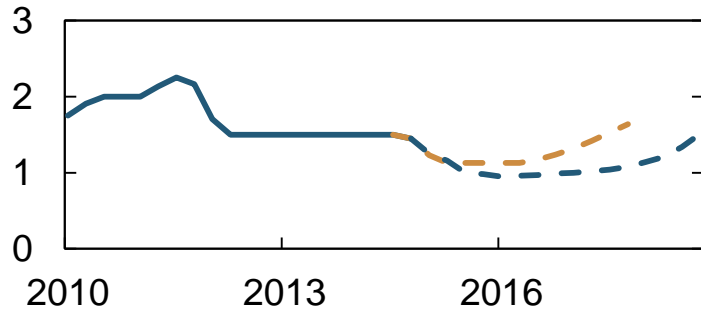
Baseline scenario in MPR 1/15

Percent

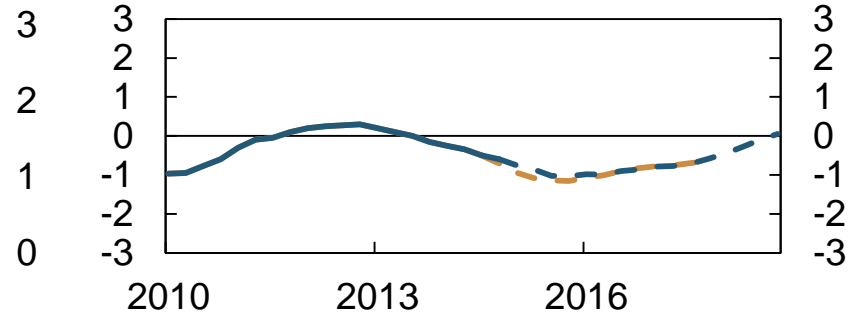
--- MPR 4/14

--- MPR 1/15

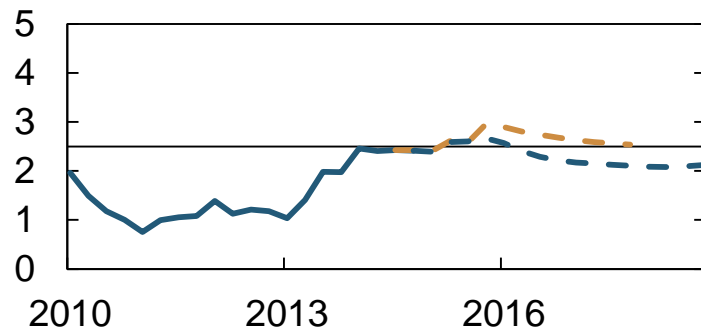
Key policy rate



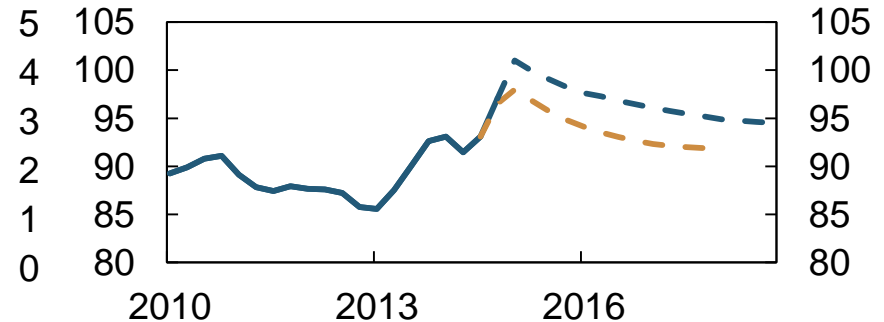
Output gap



Underlying inflation (CPI-ATE)



Krone exchange rate (I-44)





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