

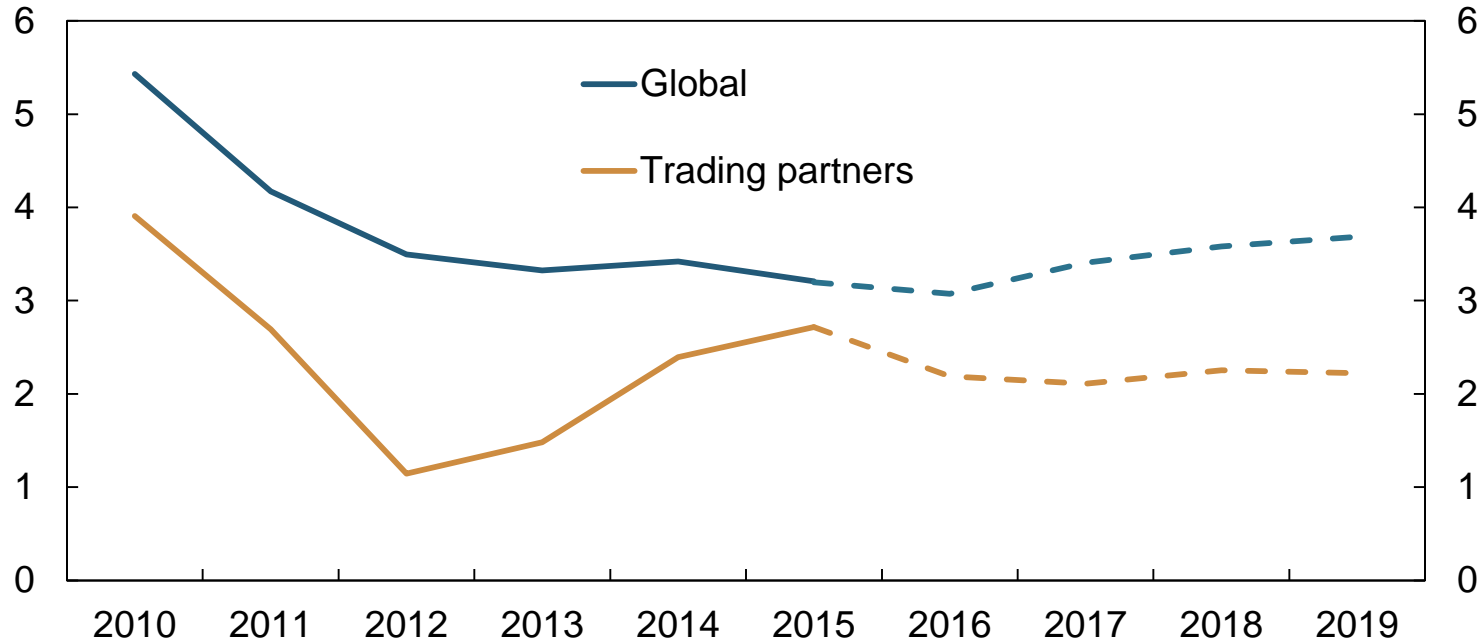


ECONOMIC OUTLOOK

GOVERNOR ØYSTEIN OLSEN
STOCK EXCHANGE AND
SECURITIES CONFERENCE
18 JANUARY 2017

Moderate global growth

Global GDP and GDP for trading partners.¹⁾ Annual change. Percent.²⁾



1) Global GDP, purchasing power parity-weighted. GDP for trading partners, export-weighted.

2) Projections for 2016 – 2019 from MPR 4/16.

Sources: IMF, Thomson Reuters and Norges Bank



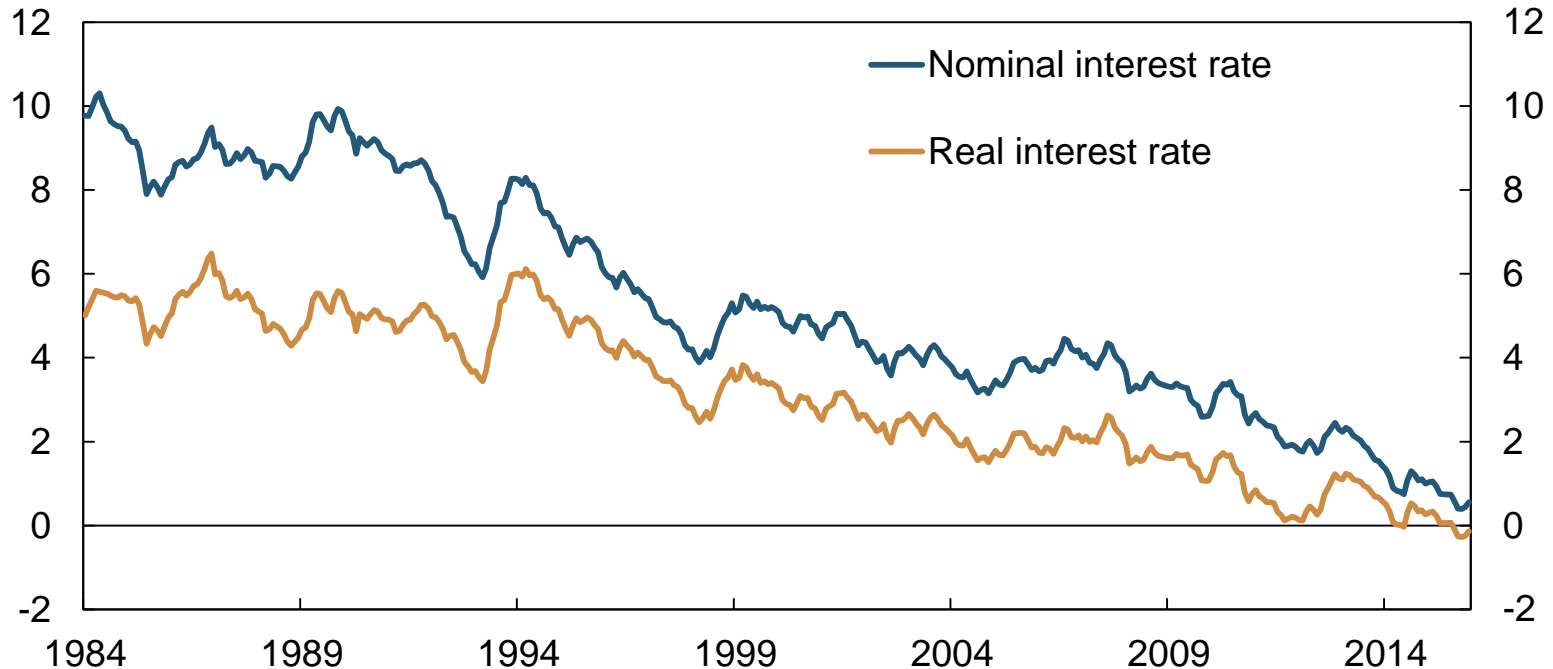
Norwegian economy: Two shocks

- Persistently low interest rates
- Oil prices have fallen



Long period of falling interest rates

Long-term rates. 14 OECD countries.¹⁾ Percent



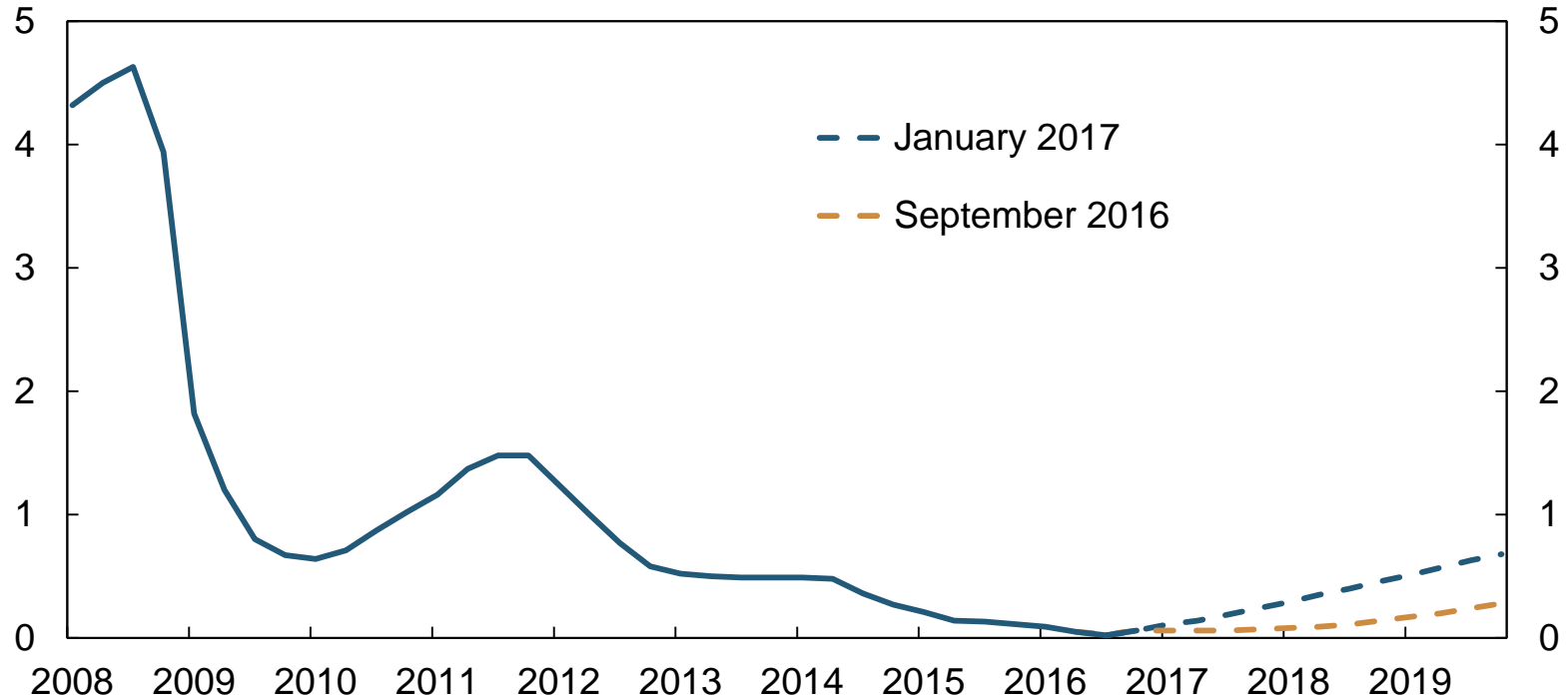
1) US, Germany, France, Italy, UK, Japan, Netherlands, Austria, Belgium, Sweden, Denmark, Canada, Switzerland and Norway.

Sources: OECD and Norges Bank



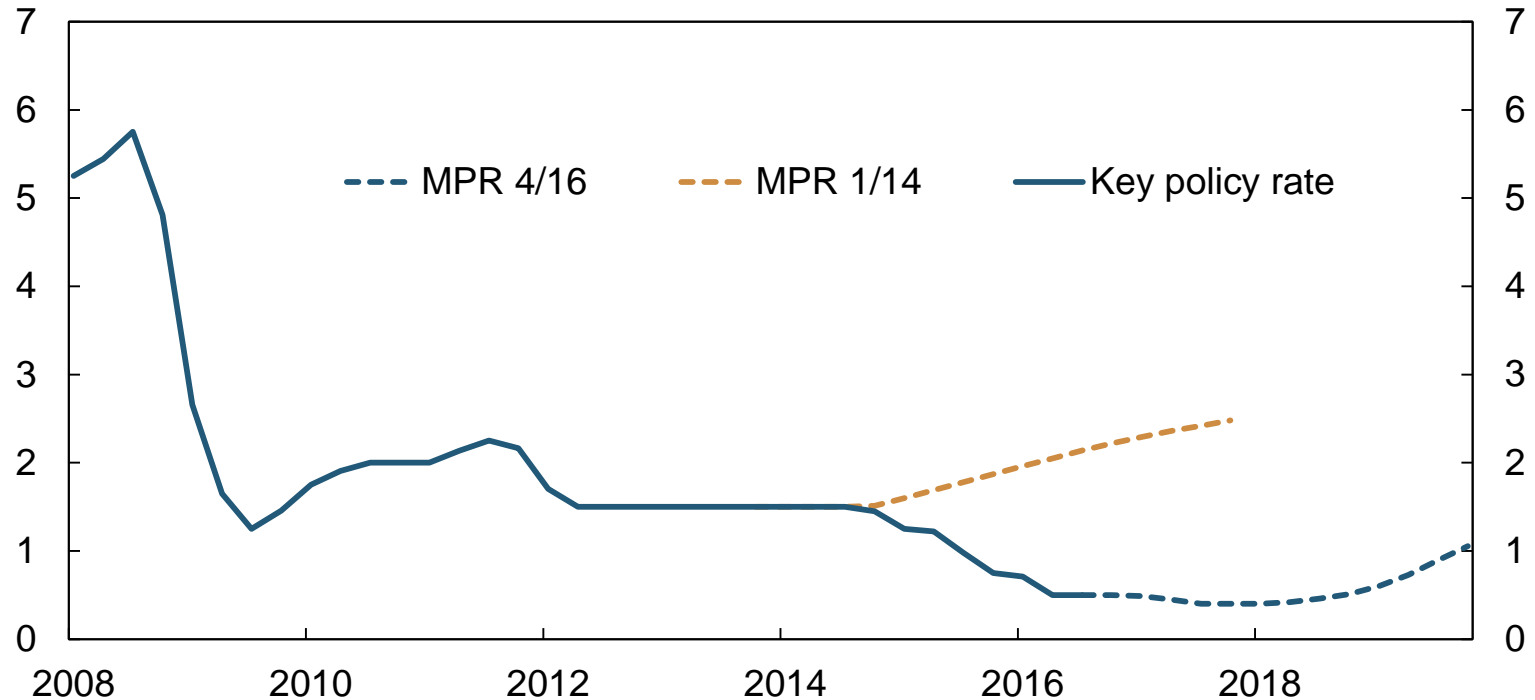
Have interest rates reached their lowest point?

Money market rates and forward rates, trading partners. Percent



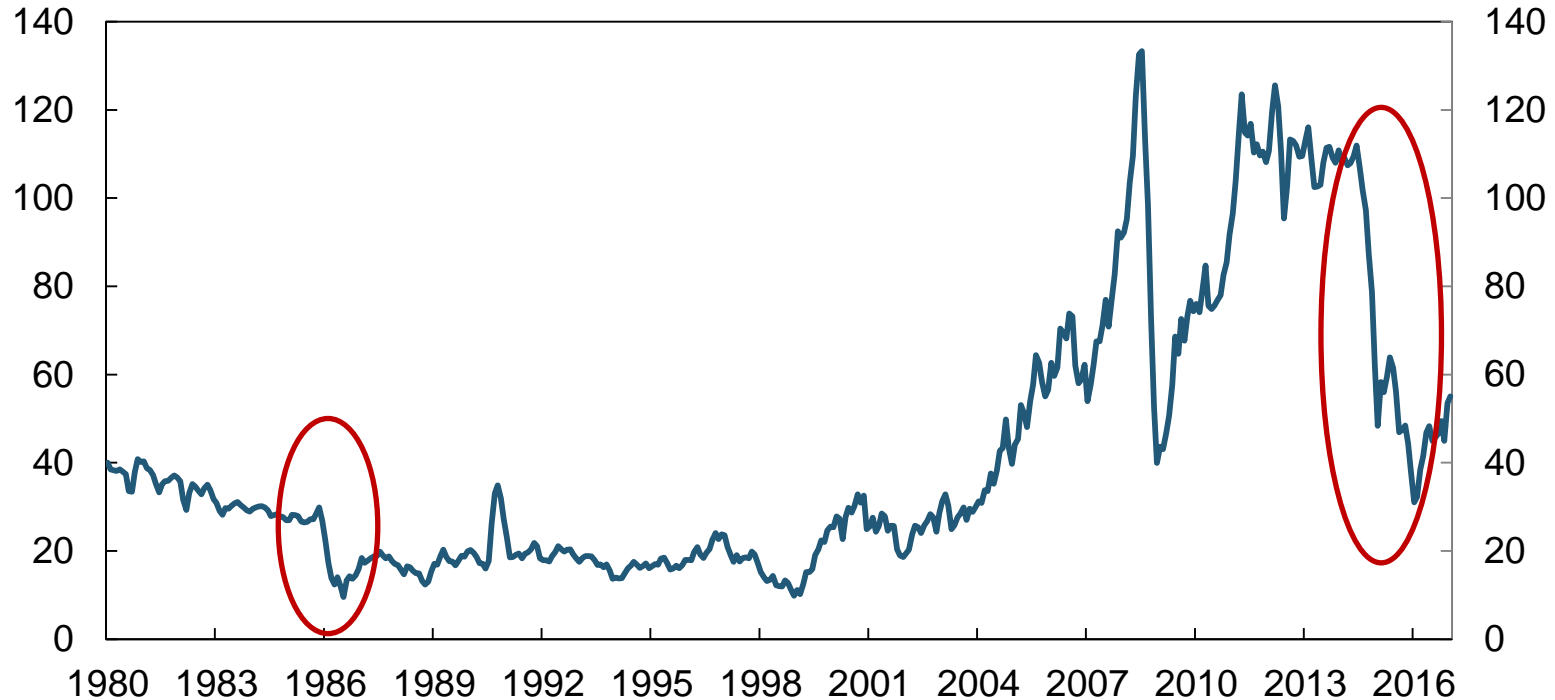
The key policy rate has been reduced

Percent



Two oil price declines

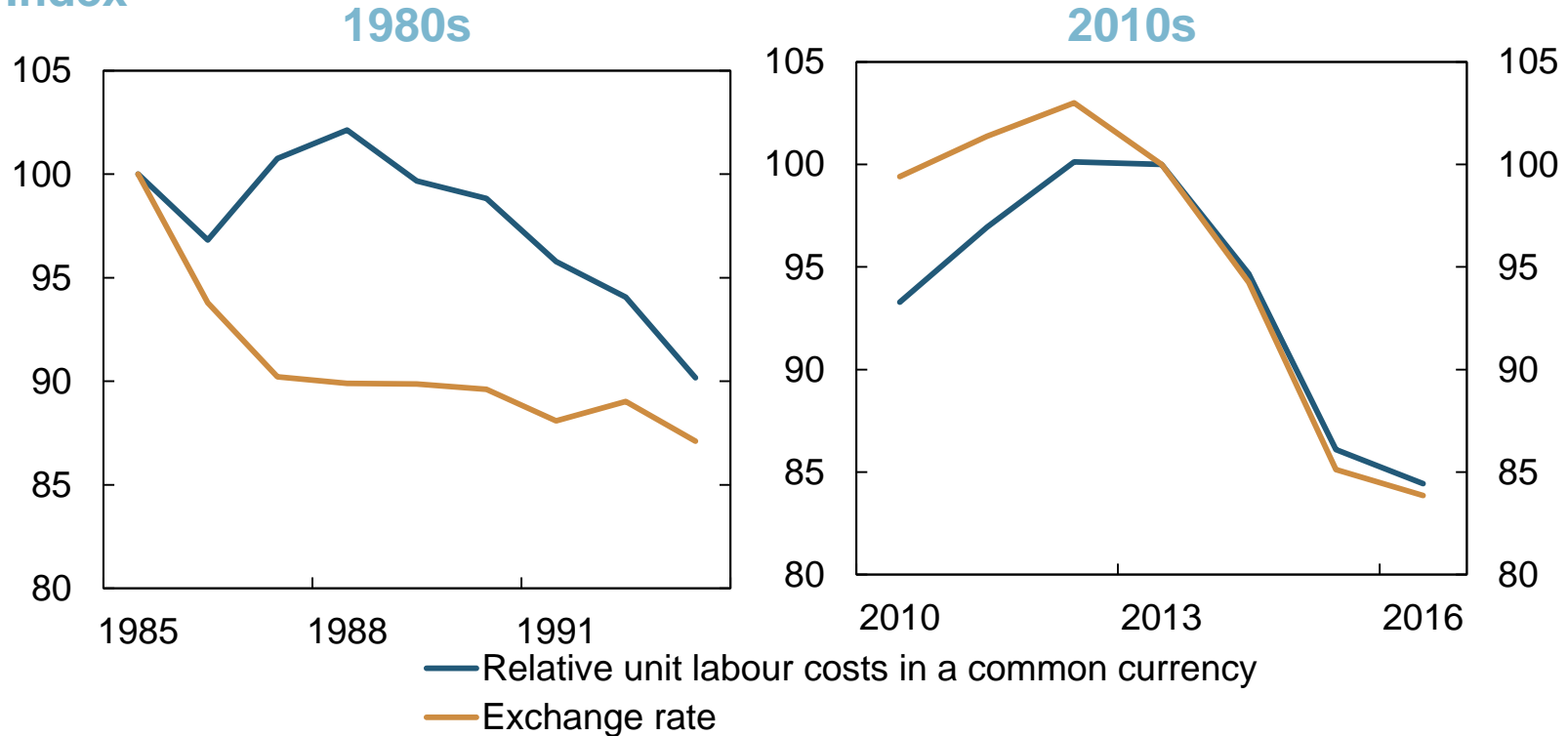
Brent Blend. USD per barrel



Two oil price declines

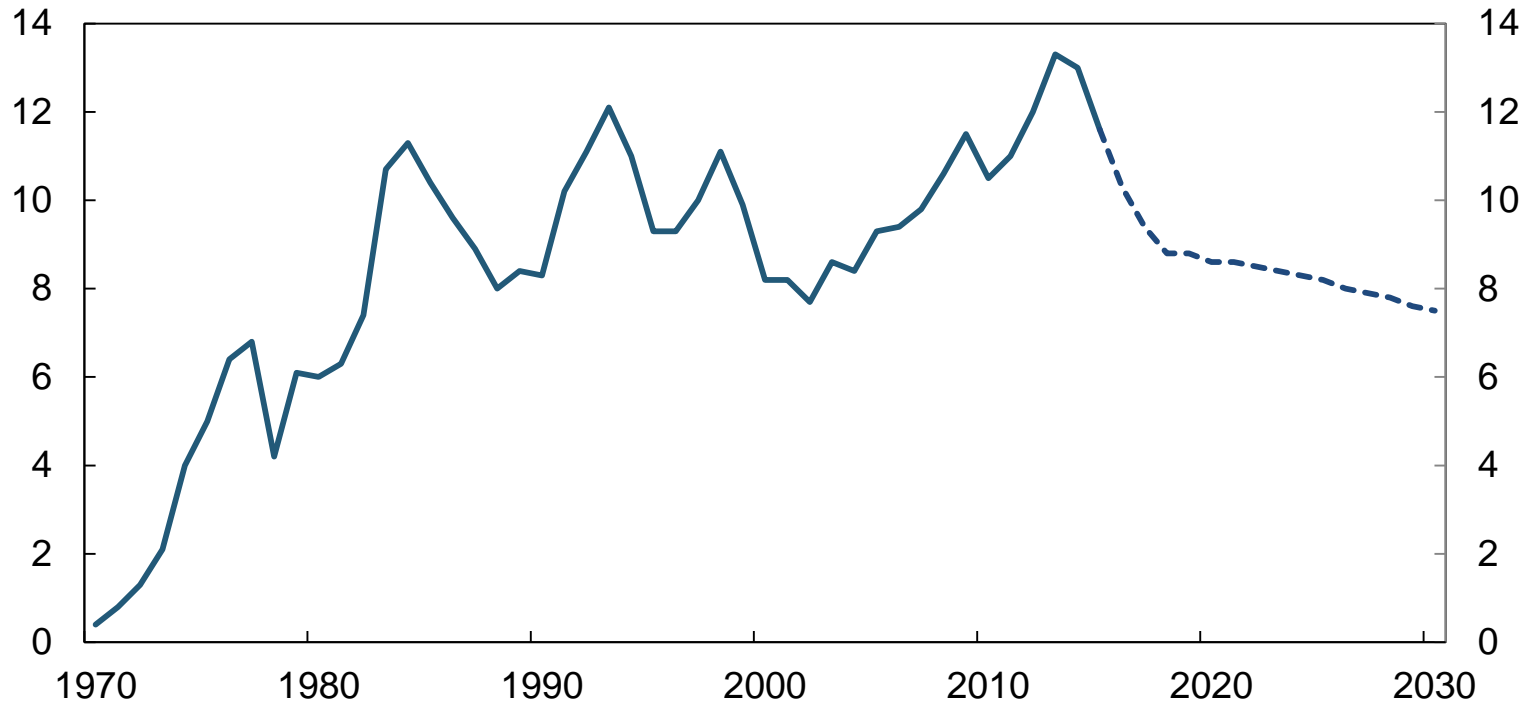
– NOK exchange rate and unit labour costs

Index



Oil sector activity is past the peak

Total petroleum sector demand. As a percentage of mainland GDP

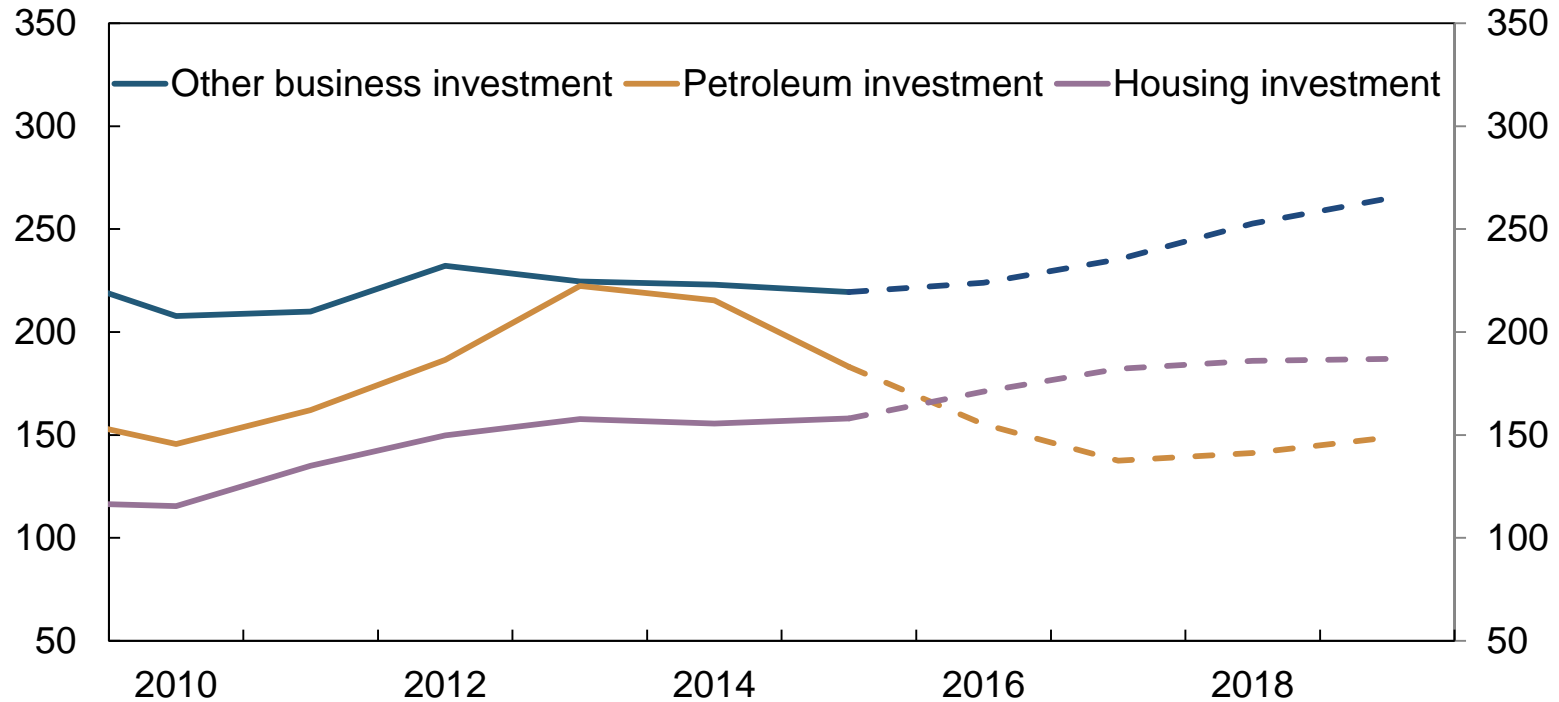


Source: Ministry of Finance



Housing investment replaces petroleum investment

Constant 2015 prices.¹⁾ In billions of NOK



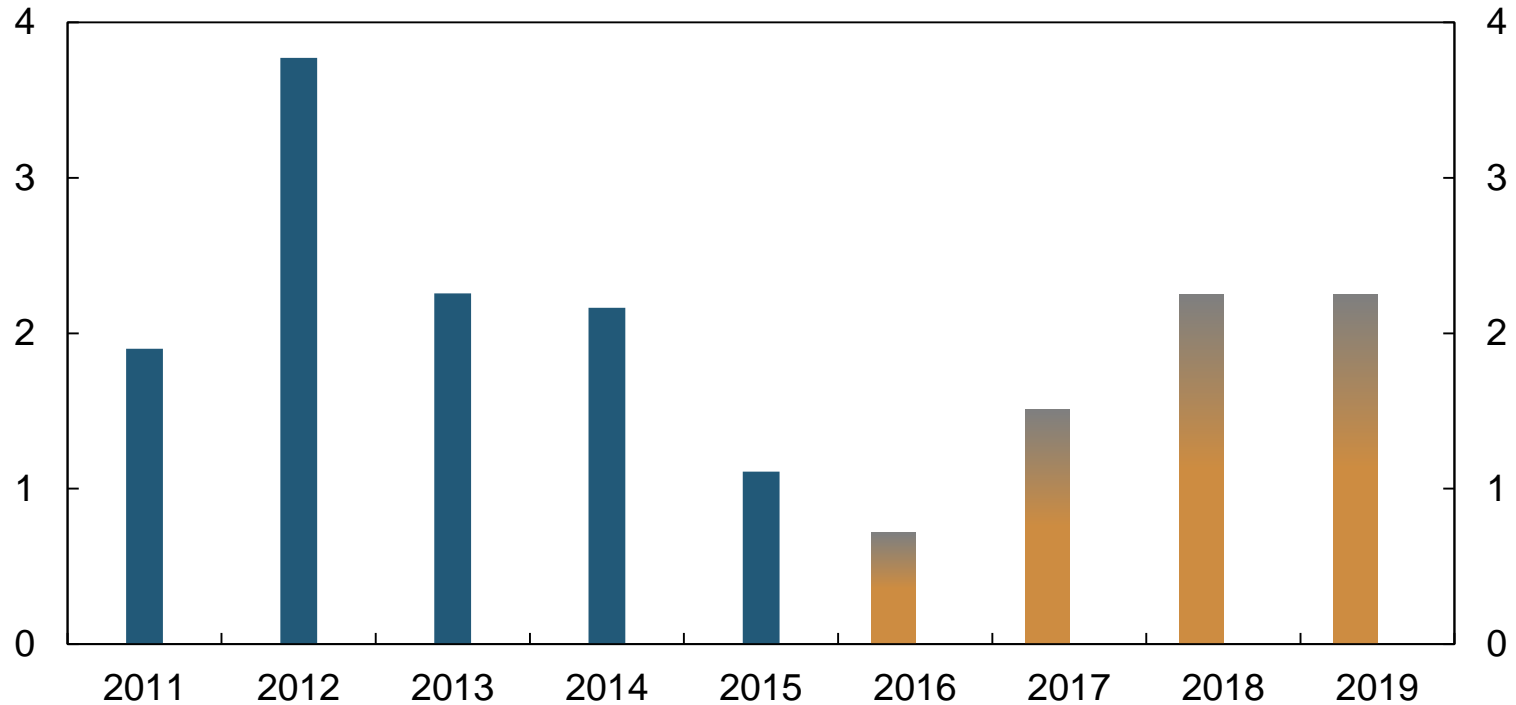
1) Projections for 2016 – 2019 from MPR 4/16.

Sources: Statistics Norway and Norges Bank



The economy has turned the corner

GDP for mainland Norway.¹⁾ Volume. Annual change. Percent



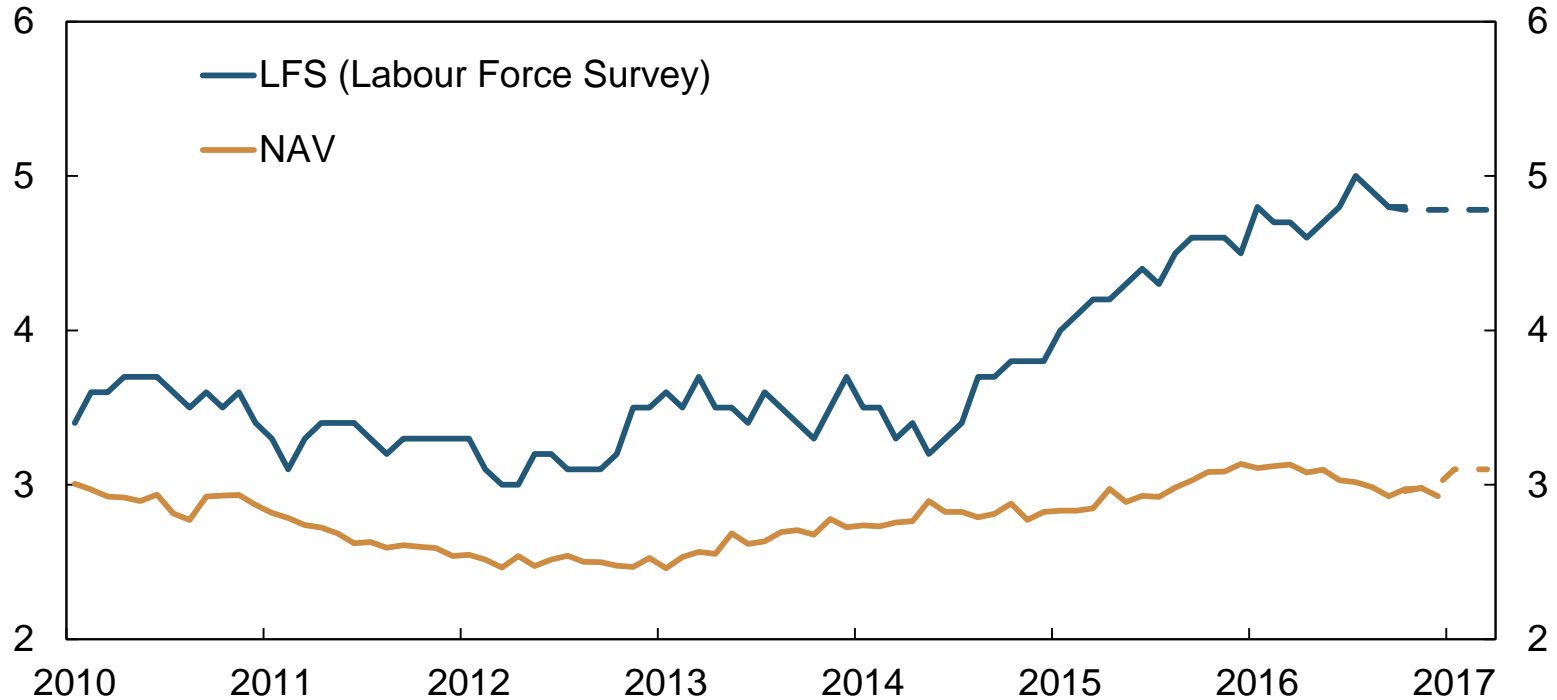
1) Projections for 2016 – 2019 from MPR 4/16.

Sources: Statistics Norway and Norges Bank



Unemployment remains steady

As a percentage of the labour force.¹⁾ Seasonally adjusted



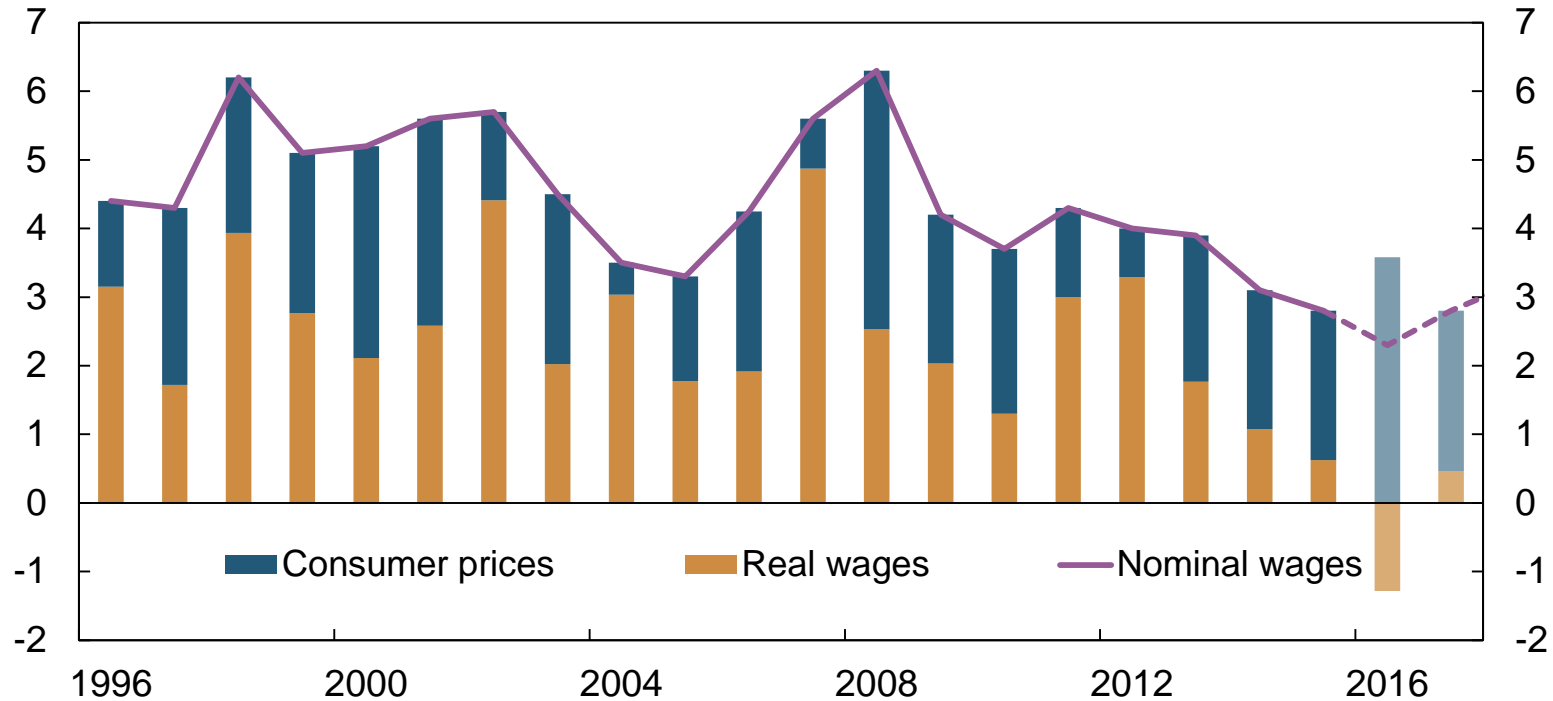
1) Projections from MPR 4/16.

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



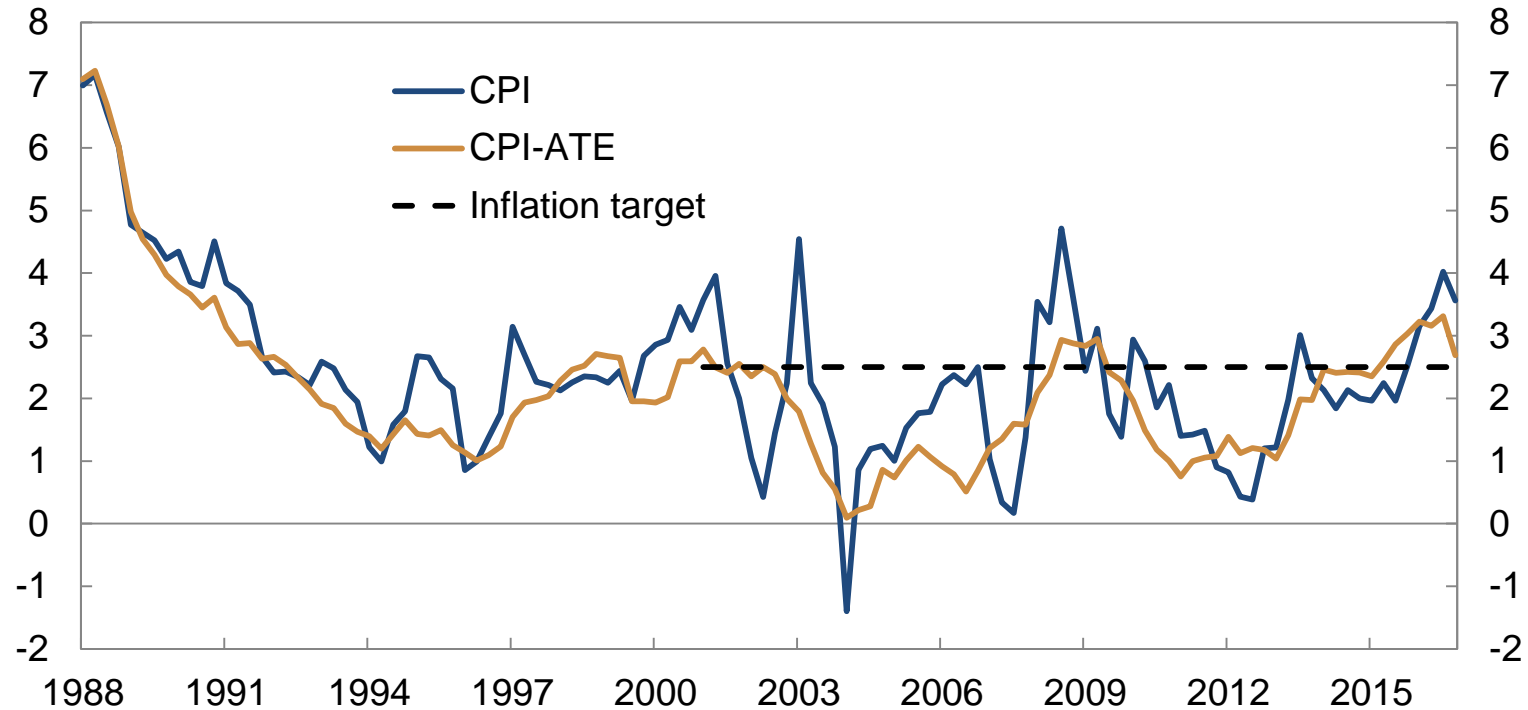
Moderate wage growth

Annual change. Percent



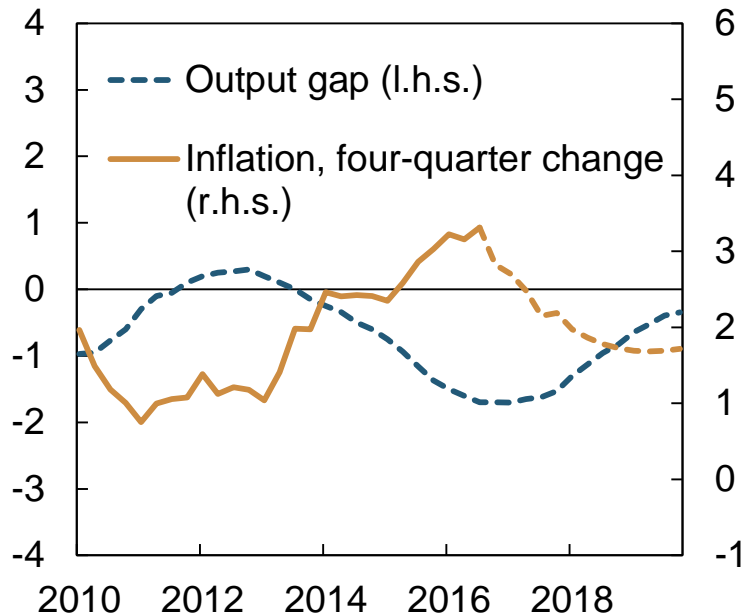
A weaker krone has pushed up inflation

Four-quarter change. Percent



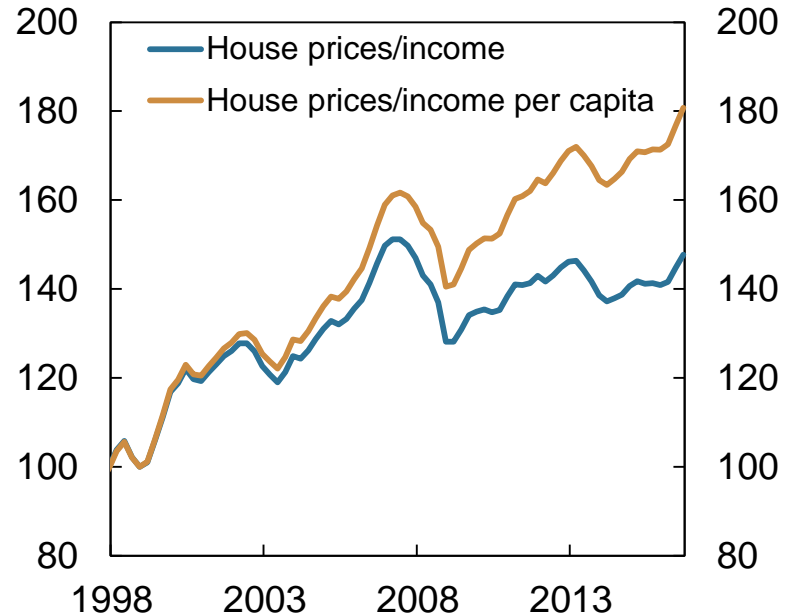
Monetary policy trade-offs

Inflation and output gap.¹⁾ Percent



1) Projections from MPR 4/16

House prices relative to disposable income. Index. 1998 Q4 = 100



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





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