



FINANSDEPARTEMENTET

Norwegian Economic Policy experiences

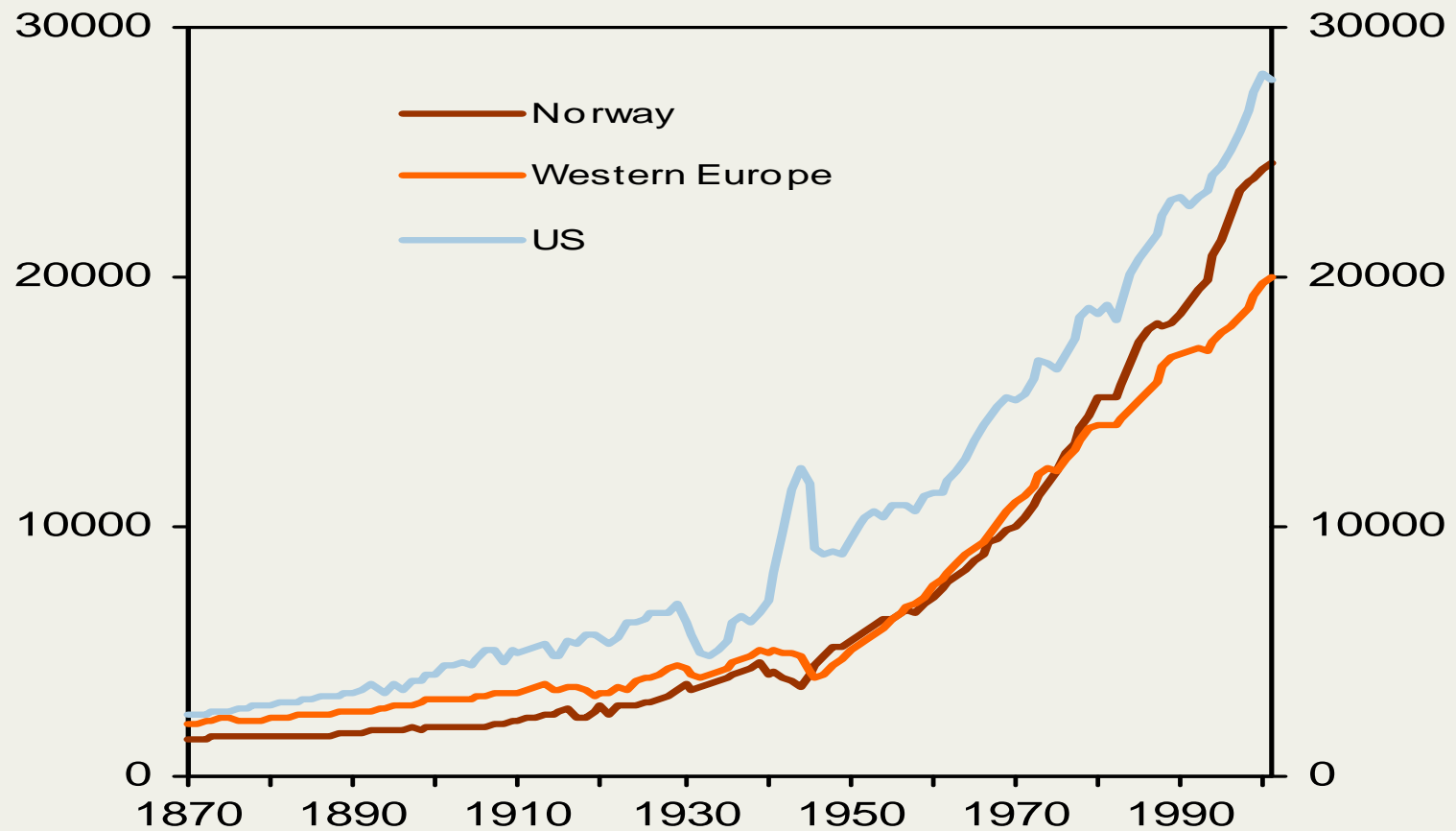
Roger Schjerva

Norwegian Deputy Minister of Finance

Haikou x December 2007

Long-term economic performance

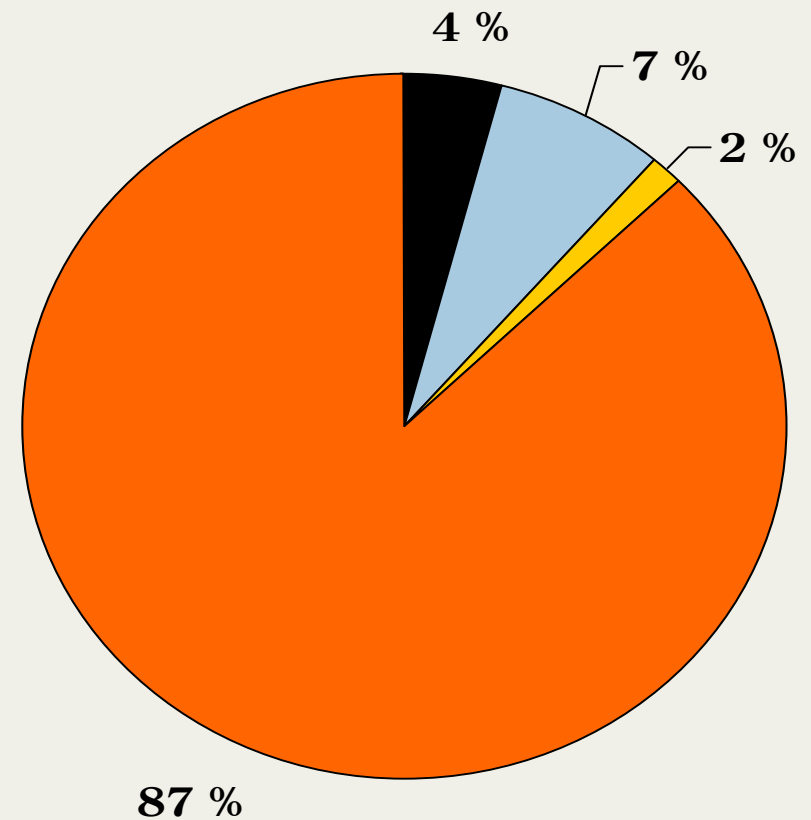
GDP per capita, constant 1990-US dollar



Manpower is our most important resource

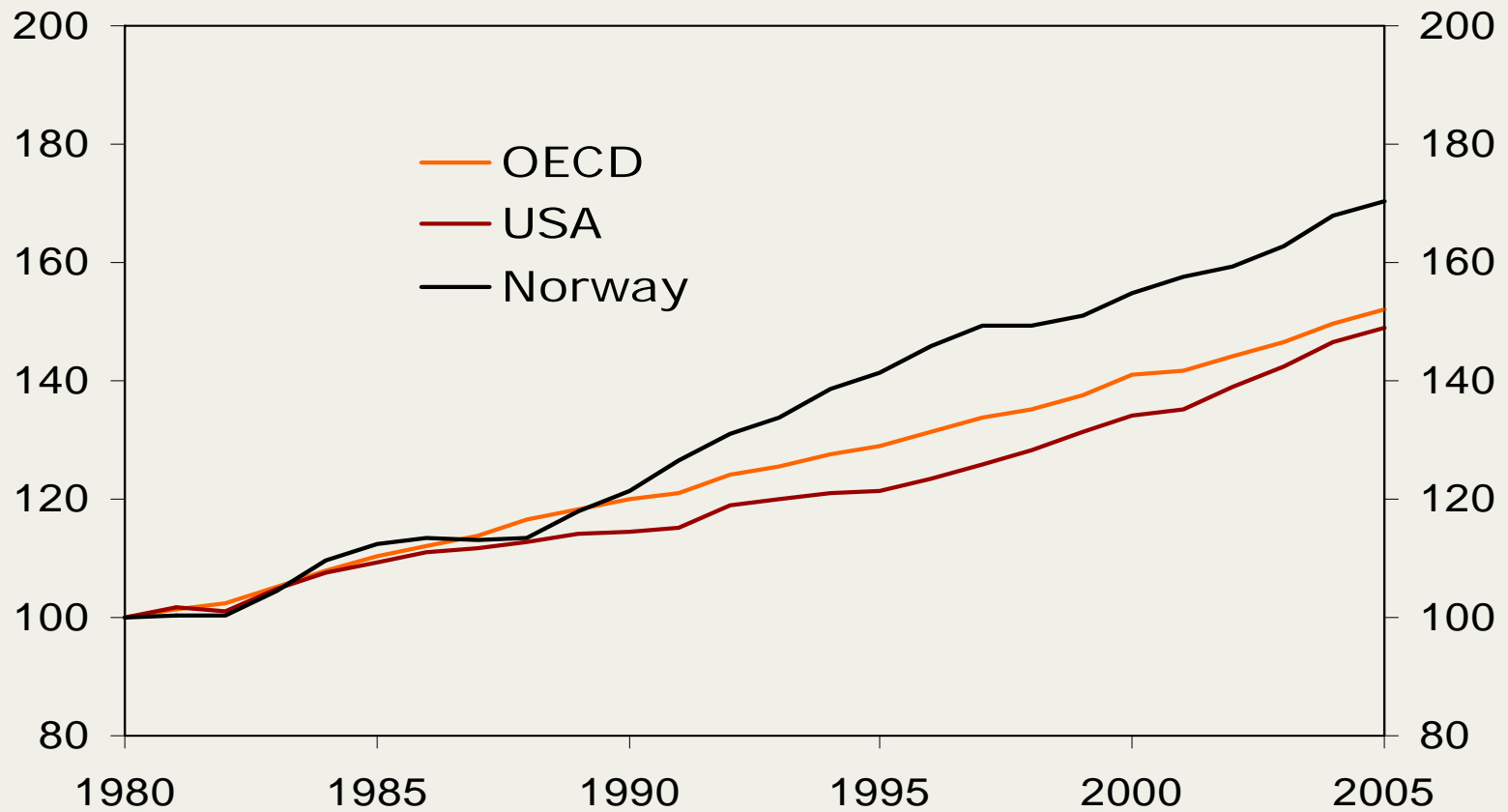
National wealth per capita

- Petroleum rent
- Capital stock
- Financial assets
- Value of labour



The Norwegian economy has delivered strong productivity growth

Labour productivity of the total economy Indices. 1980 = 100



Economic policy guidelines

Fiscal policy:

- Petroleum revenues should be phased into the economy on par with in expected return on the Government Pension Fund - Global (estimated at 4 per cent)
- Emphasis must be put on stabilising the economy

Monetary policy:

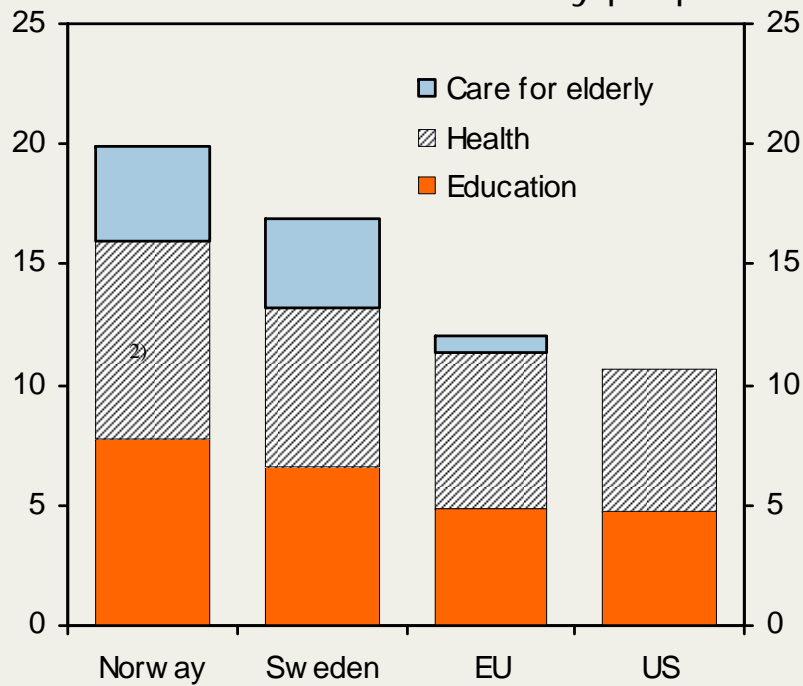
- A flexible inflation targeting regime
- The operational target is an annual rate of inflation averaging 2.5 per cent over time
- The central bank's interest rate decisions shall be forward looking

The Norwegian welfare model

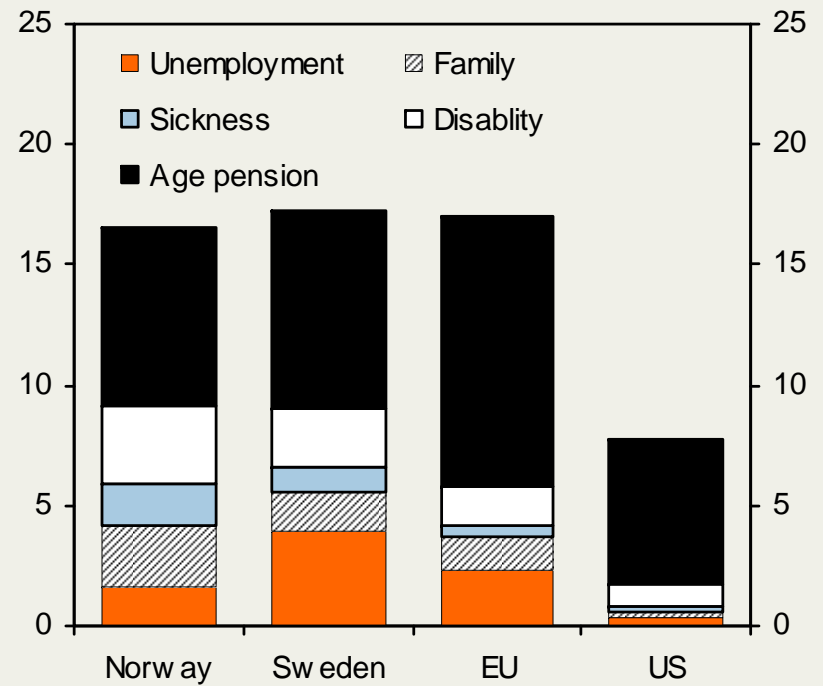
- Universal welfare services
 - Education and healthcare are public responsibilities
 - The main provider is the public sector
 - Income replacement schemes in case of disability, aging, death of main income taker, unemployment etc. is public
- Income distribution is rather compressed
- Regional equality

Public consumption and public transfers Per cent of GDP in 1999

A. Public consumption on education, health and care for elderly people



B. Public income replacing transfers



Norway's Climate Policy

- Avoid temperature increase above 2 degrees Celsius.
- A broad, ambitious, and fair agreement.
- Committed to over-fulfill our obligations under the Kyoto protocol
- Carbon neutrality by 2050.
- Develop climate friendly technologies, such as CCS.

The glacier of Briksdal, 2001 og 2006



Norwegian Economic Policy experiences

- Labour is by far our most important resource
- A well-functioning safety net is crucial for welfare and adaptability
- Openness to trade and investment is necessary for economic growth
- Economic growth creates challenges. The most urgent common challenge today, is climate change.