



FINANSDEPARTEMENTET

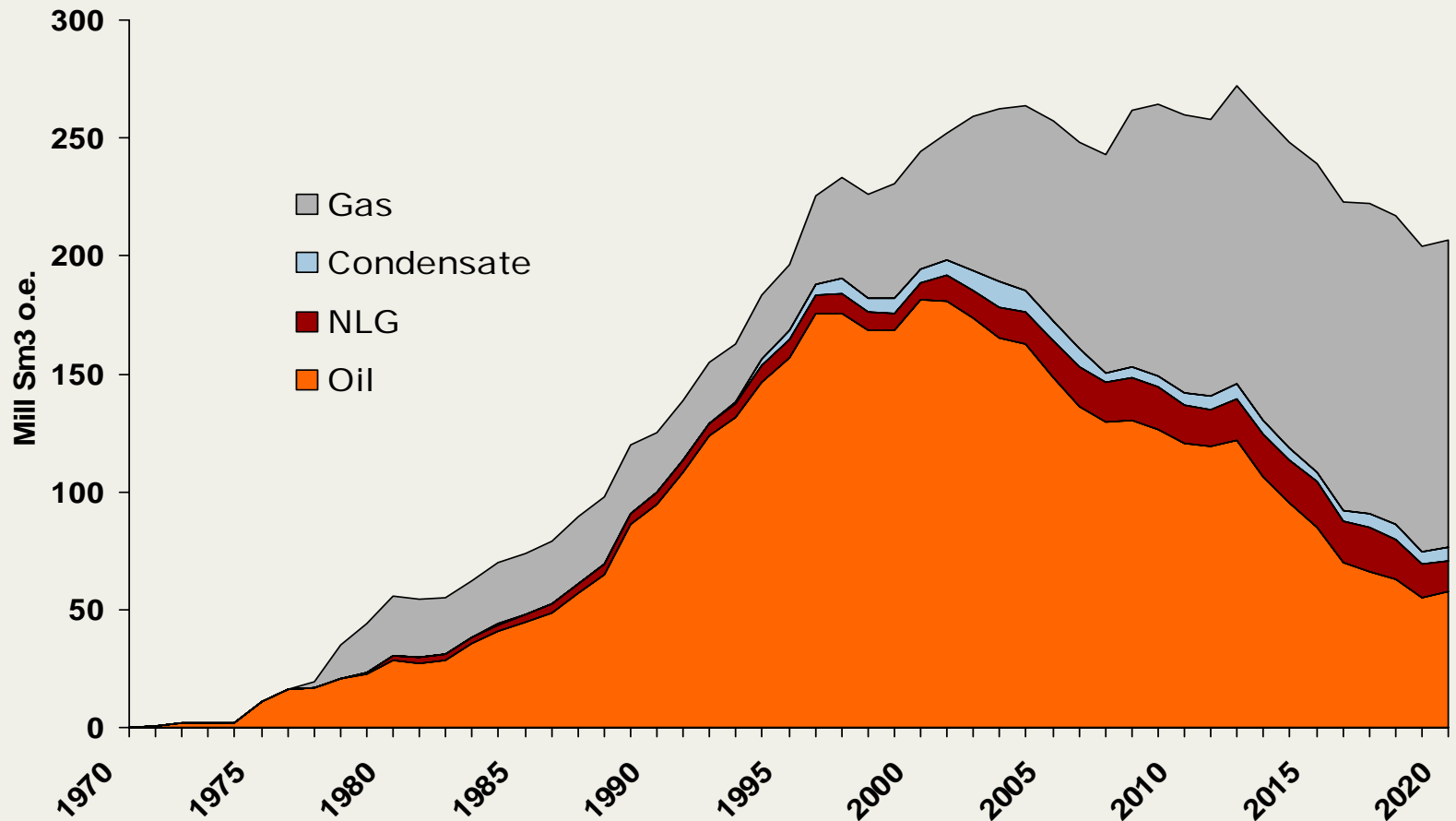
# The Norwegian Economic Model – prosperous and sustainable?

*Kristin Halvorsen*  
*Norwegian Minister of Finance*

*Berlin 5 February 2007*

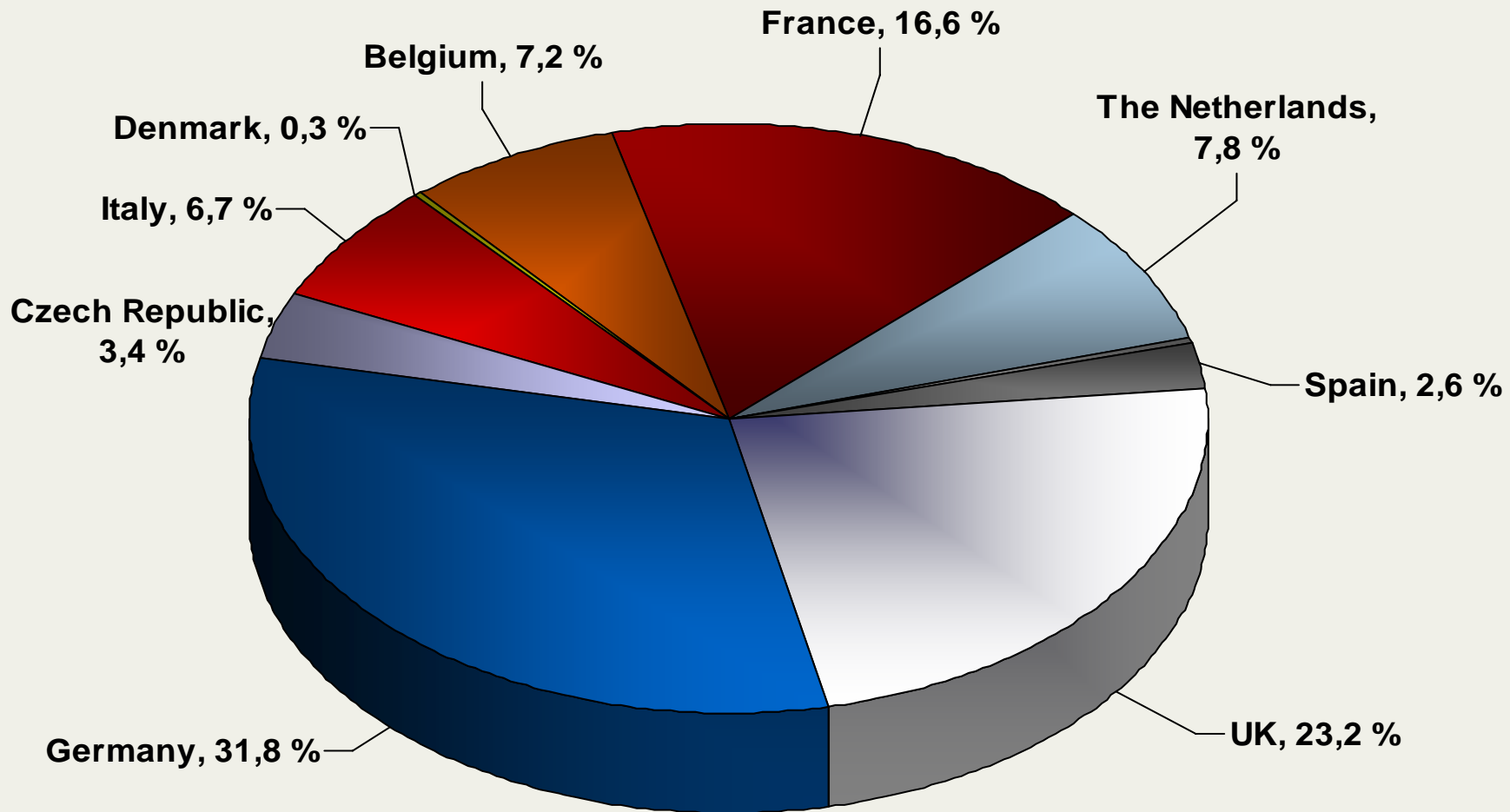
# Norwegian petroleum production

Million standard cubic meters of oil equivalents



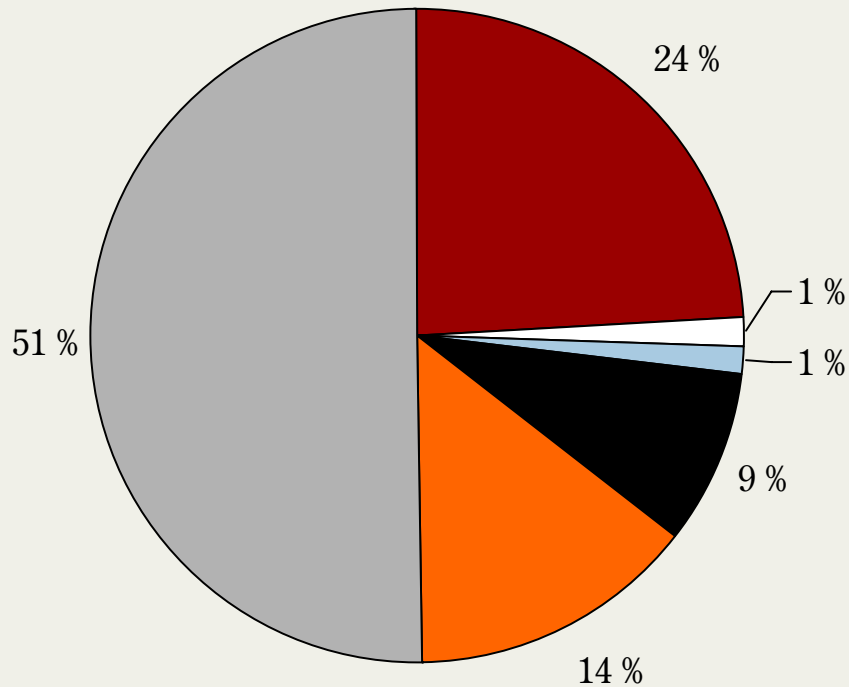
# Export of Norwegian natural gas. 2006

Total 86.2 bill. cubic meters

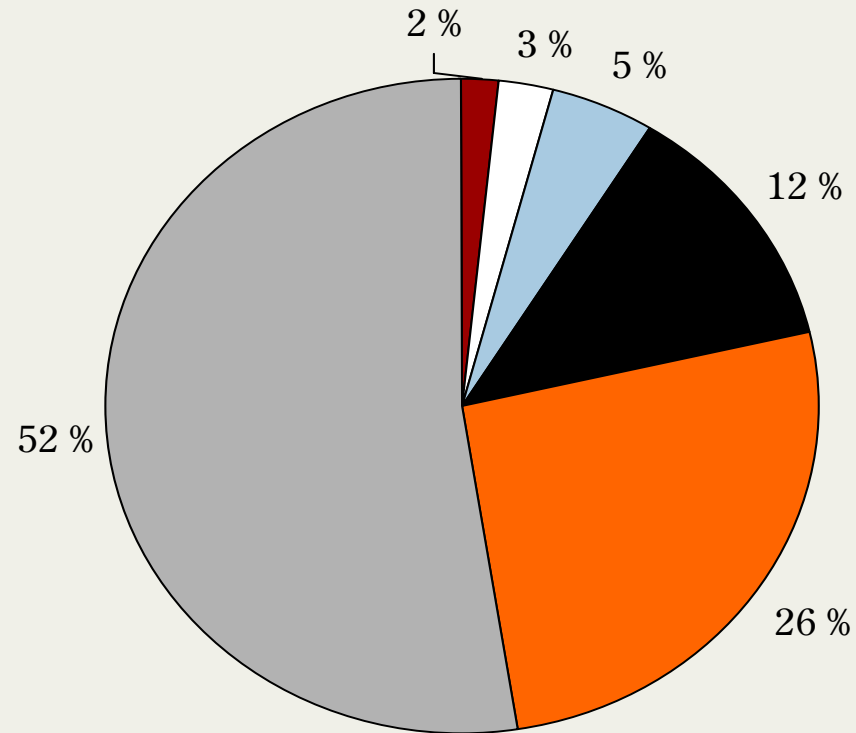


# Norwegian economy by sector. 2005

## GDP



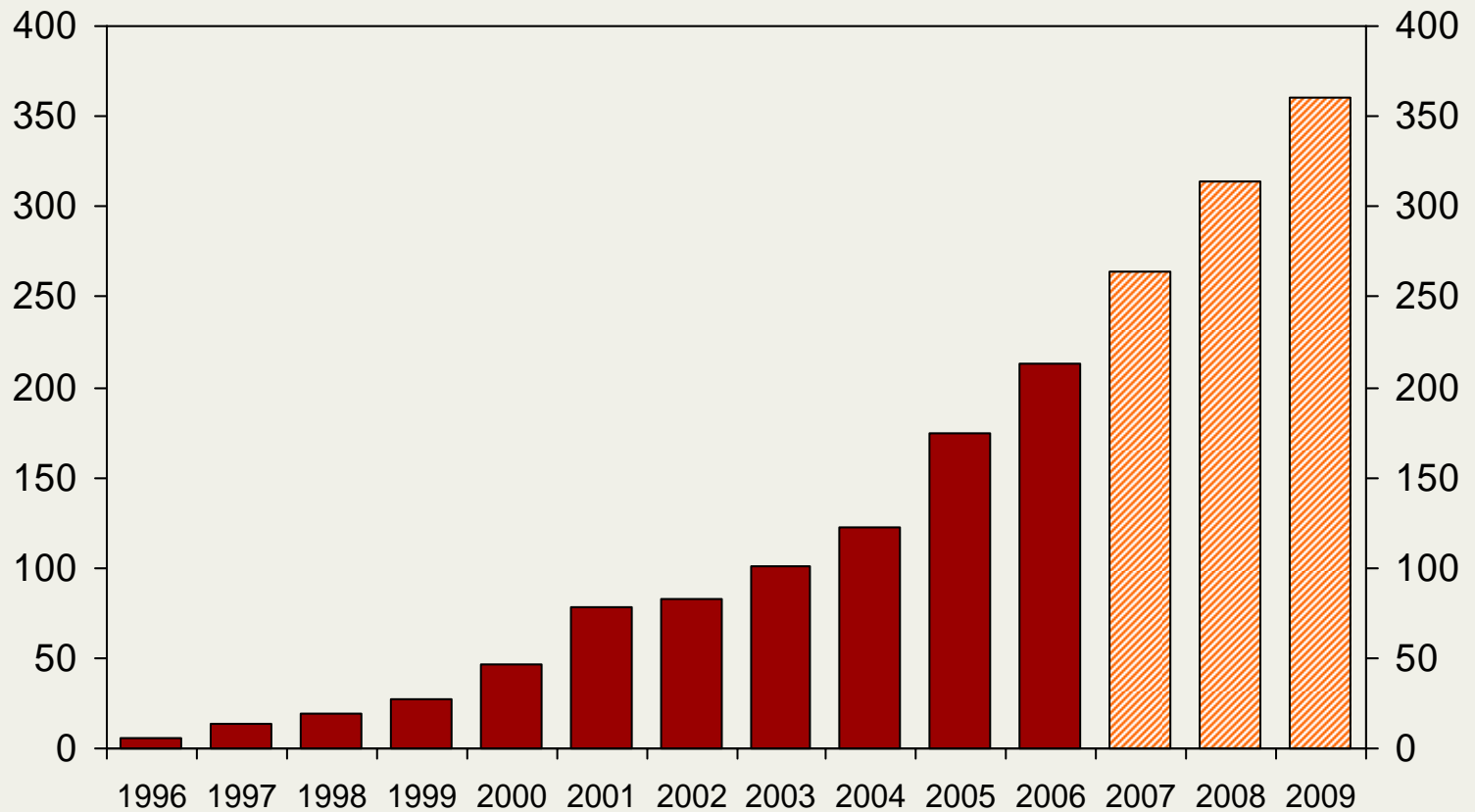
## Employment (man-hours)



- Petroleum
- Public sector
- Shipping
- Other private sectors
- Agriculture, forestry, fishing
- Manufacturing

# The Fund's market value

Government Pension Fund – Global. Billion euro, year end



## Economic policy guidelines

### *Fiscal policy:*

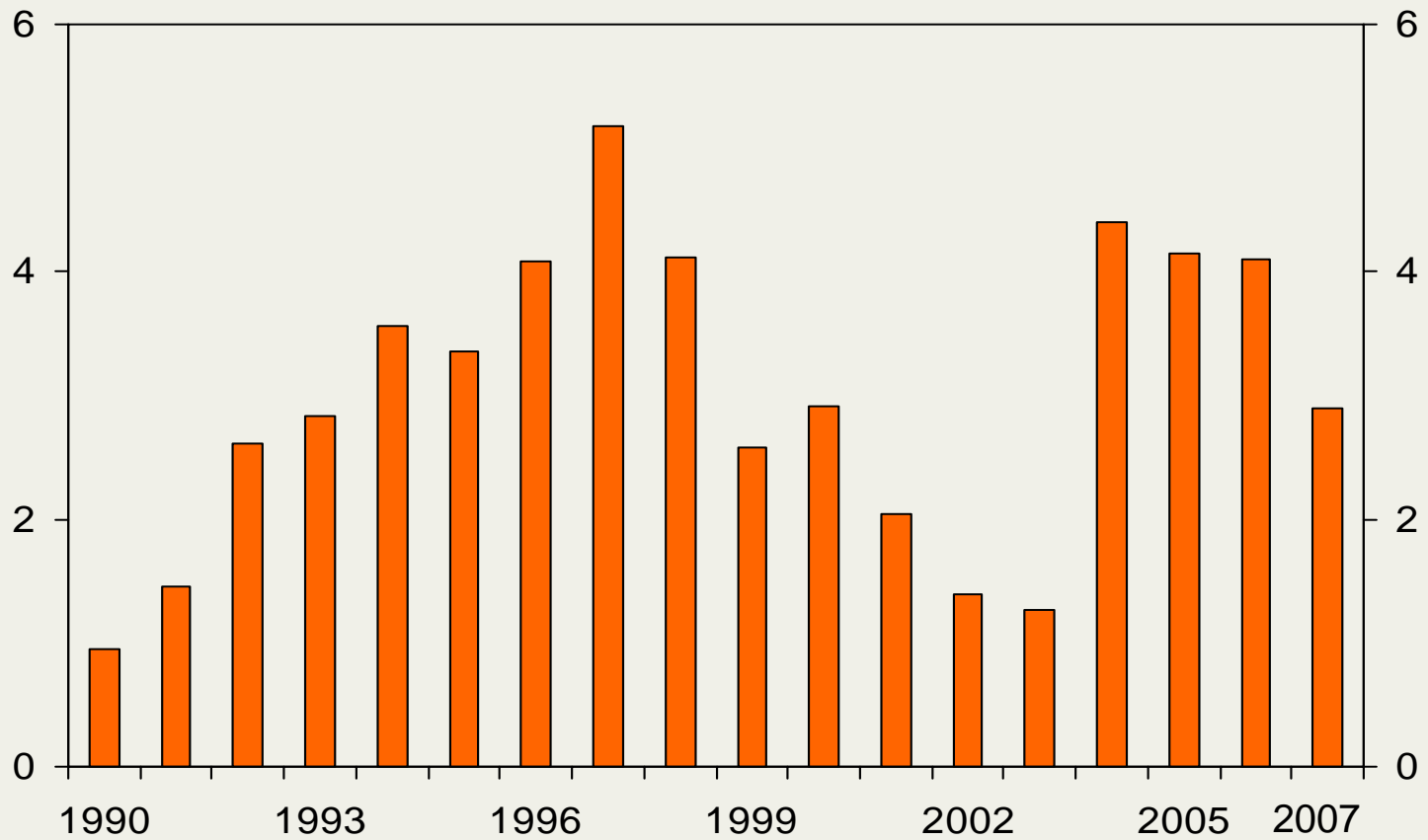
- Petroleum revenues should be phased into the economy on par with in expected return on the Government Pension Fund - Global (estimated at 4 per cent)
- Emphasis must be put on stabilising the economy

### *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

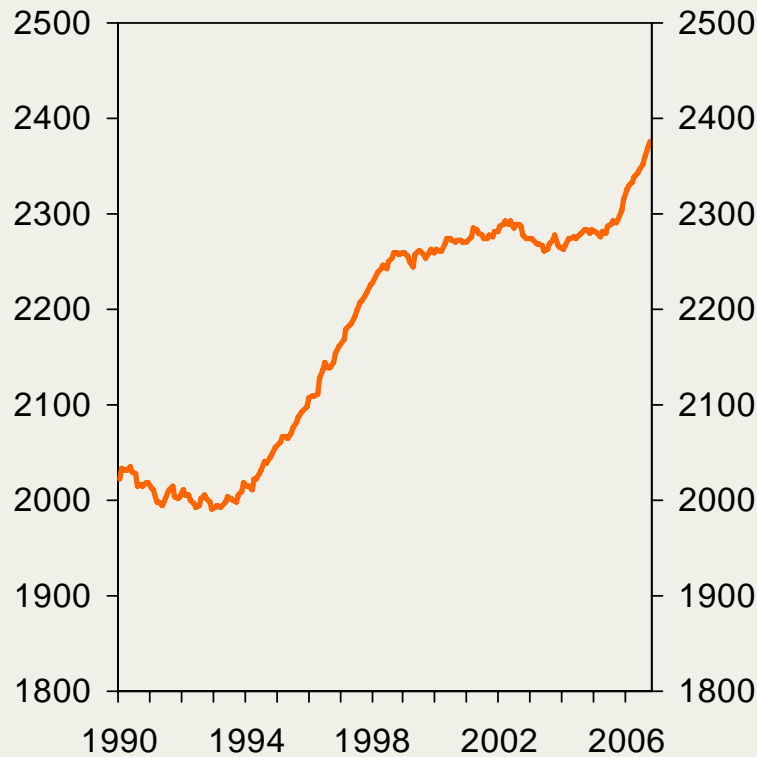
# Growth in mainland GDP

Per cent from previous year



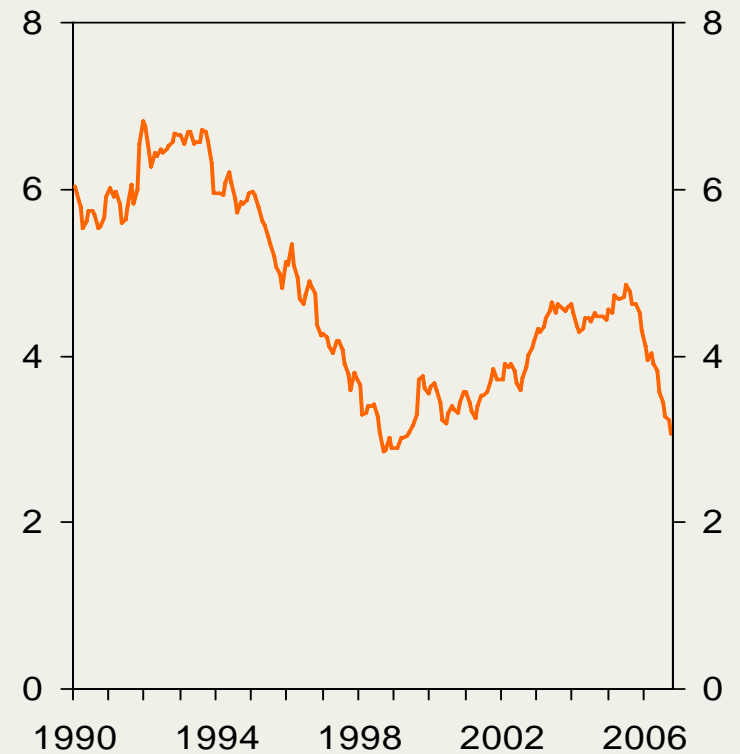
## Employment

1000 persons



## Unemployment

Per cent of labour force

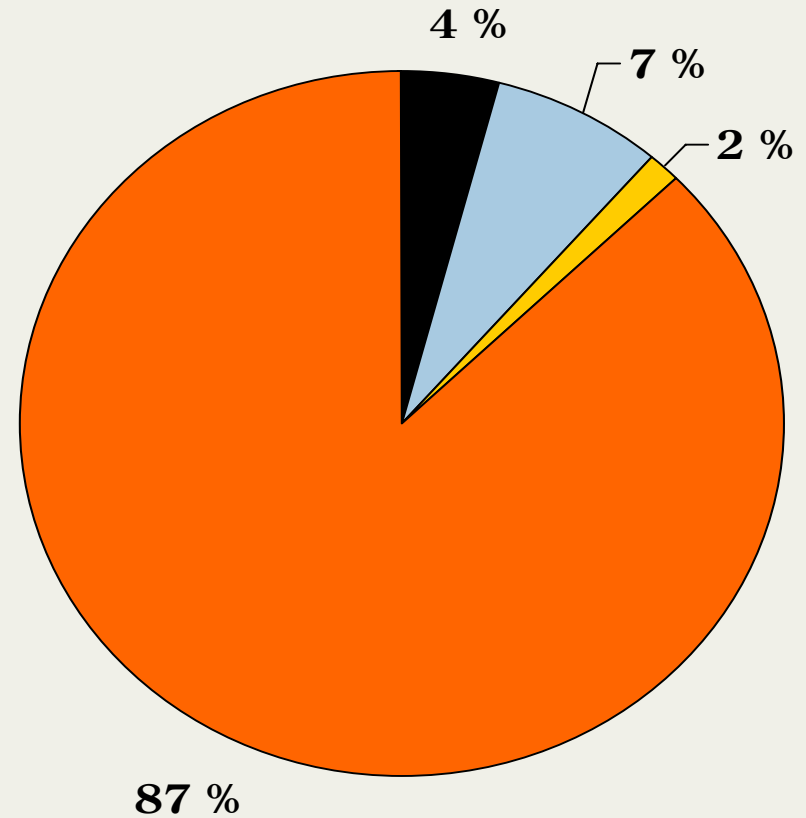




# Manpower is our most important resource

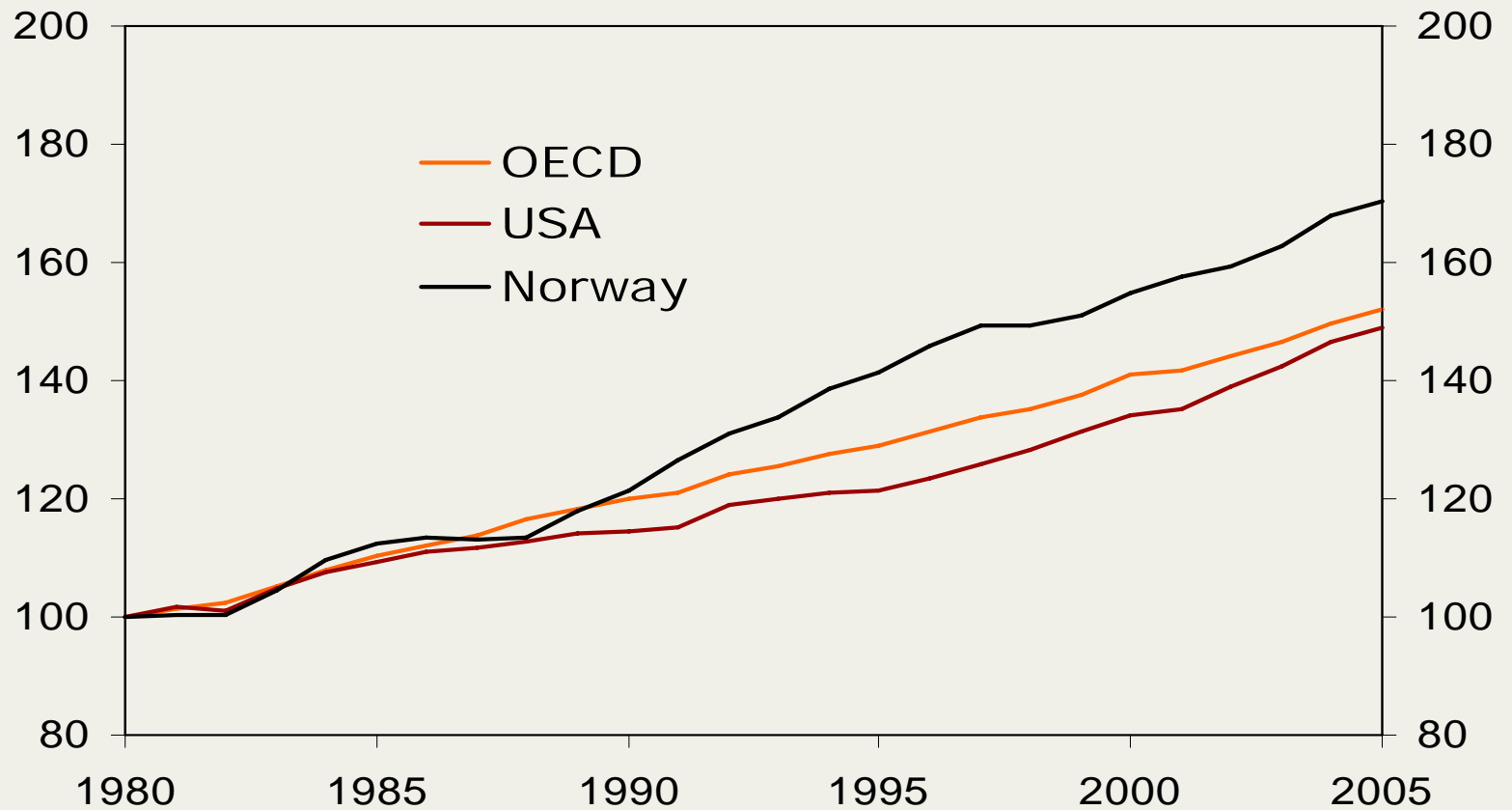
National wealth per capita

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



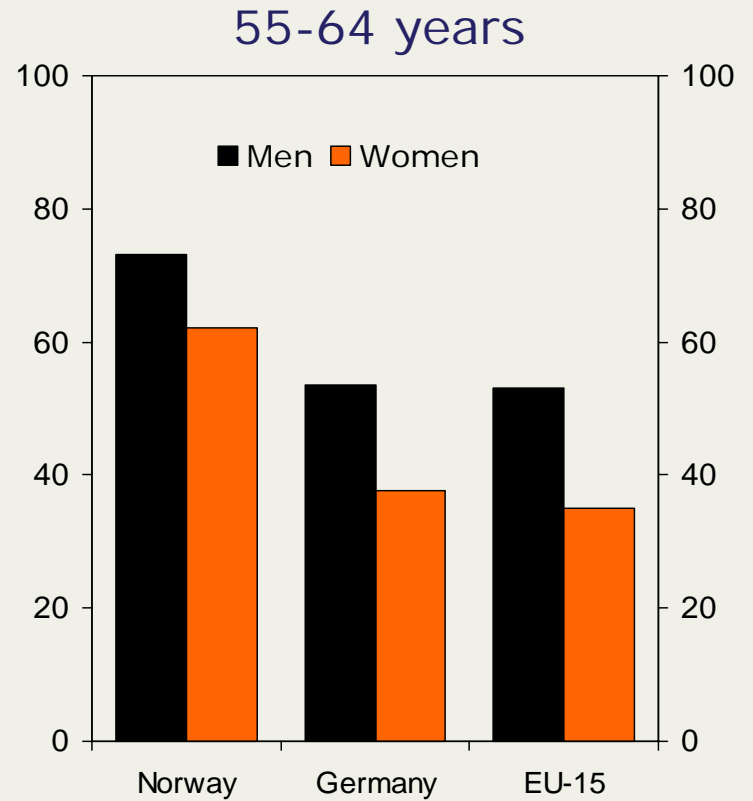
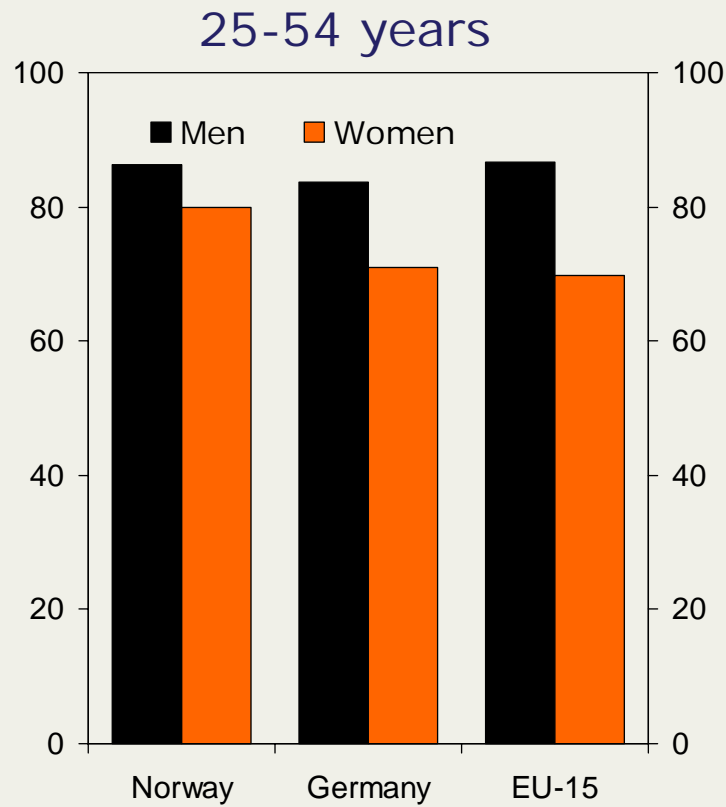
# Labour productivity of the total economy

Indices. 1980 = 100



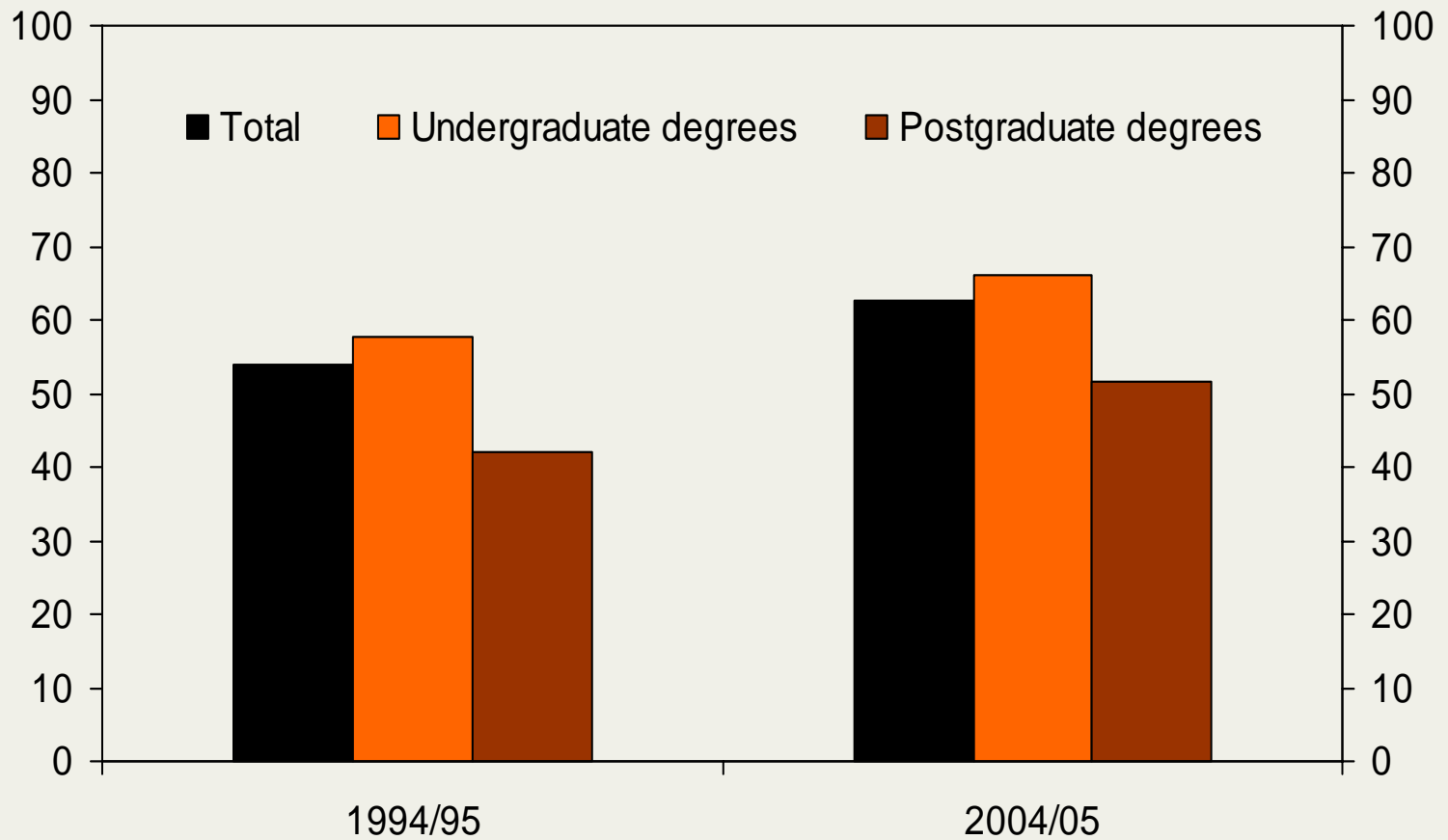
# Employment/population ratio

Per cent



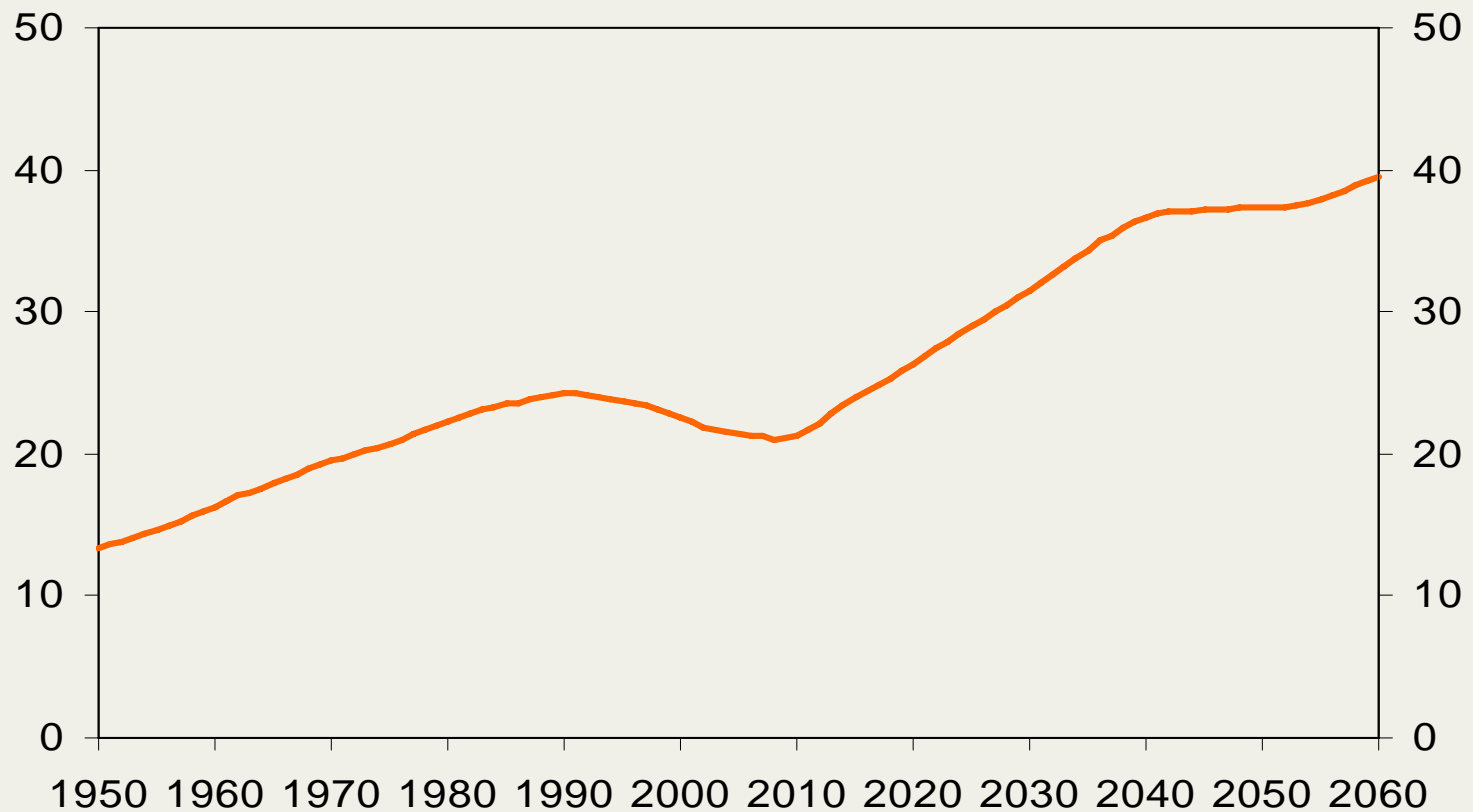
# Female graduates from tertiary education

Per cent of total

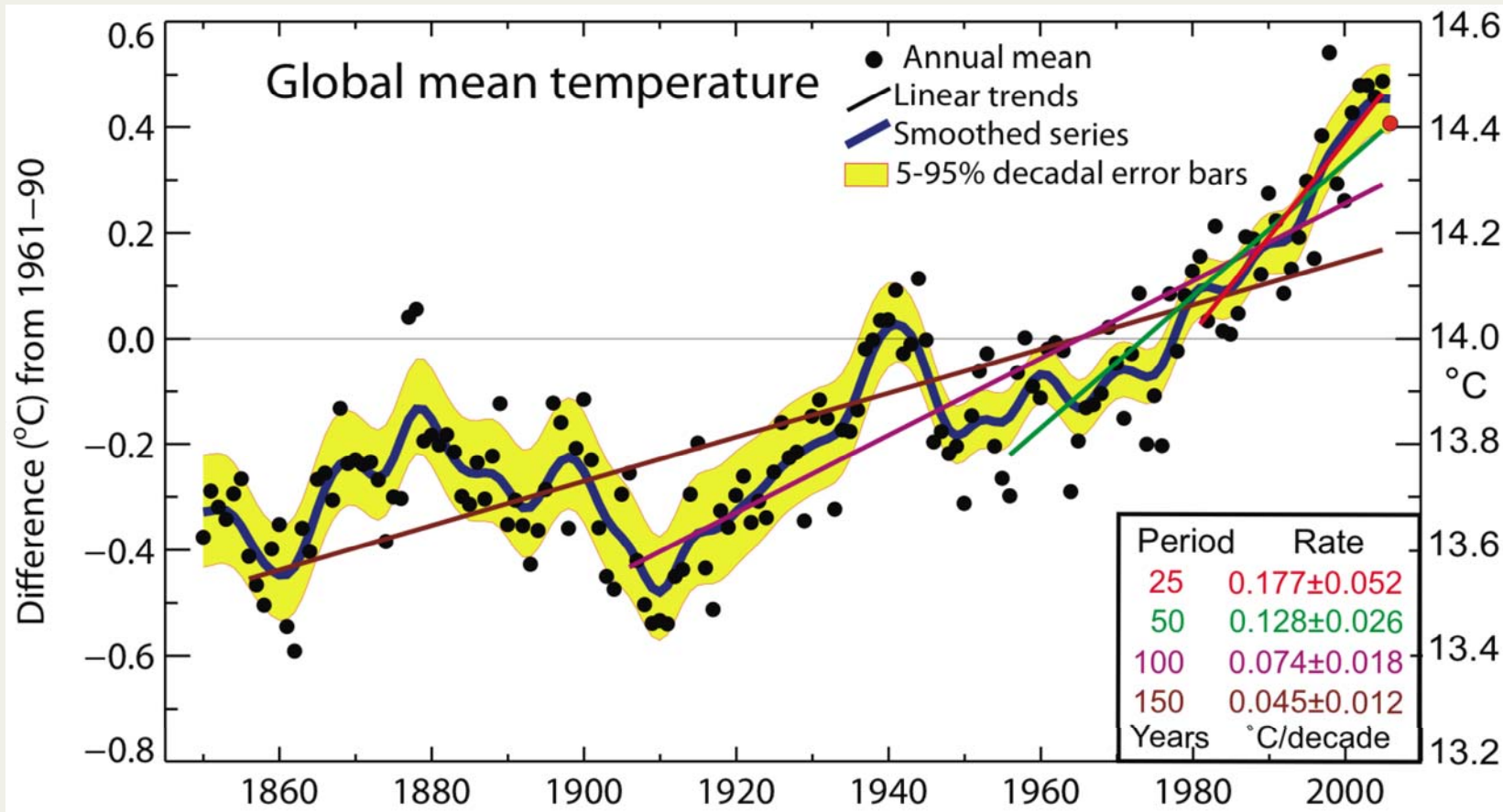


# Ageing of Norway's population

People 67 years and over in per cent of working age population



# Observed global temperature increase since the measurements started 150 years ago



Source: IPCC 2007