S&P Global
Ratings

RatingsDirect®

Norway

September 11, 2023

Primary contact

Johanna Melinder
Stockholm
46-84-40-5926
johanna.melinder
@spglobal.com

Secondary contact

Amr Abdullah
London
2071762000
amr.abdullah
@spglobal.com

Research contributor

Srijan Sil
CRISIL Global Analytical Center,
an S&P Global Ratings affiliate
Hyderabad

This report does not constitute a rating action.

Credit Highlights

Overview

Institutional and economic profile	Flexibility and performance profile
Norway's wealthy economy benefits from prudent and flexible policymaking.	Norway's credit profile is characterized by a large net external asset position and significant fiscal buffers.
--S&P Global Ratings expects economic growth to slow to 1.2% in 2023 due to weaker private consumption amid high inflation and tighter monetary conditions.	--We expect Norway's current account surplus will fall to 15.1% of GDP in 2023, down from last year's high of 30.4%, because of lower oil and gas prices.
--Broad cross-party consensus on key economic issues, such as the fiscal spending rule, will continue with the current government, in our view.	--With the Government Pension Fund Global (GPFG)'s market value at more than $1.4 trillion, the country benefits from large buffers to navigate periods of stress and headroom to absorb higher fiscal spending.
--We believe external security risks for Norway due to the war in Ukraine are limited while the resulting increase in oil and gas prices supports fiscal revenue and nominal growth.	--Amid continued high inflation, we expect Norges Bank to hike its policy rate further with a peak of 4.25%-4.5% in 2023.

S&P Global Ratings expects Norway's economy to decelerate to 1.2% growth in 2023, from an estimated 3.3% in 2022. Continued high inflationary pressure is straining private consumption, which we expect to decline in 2023. A tight labor market, high interest rates weighing on investments and consumption, and uncertainty related to geopolitical tensions are additional factors dampening growth prospects, while solid hydrocarbon exports and investments into the petroleum sector will help prevent a recession.

We expect monetary policy tightening to continue in second-half 2023 after Norges Bank, the central bank, hiked its policy rate 12 times since September 2021. In our view, inflation will remain elevated at 5.7% in 2023, only marginally down from 5.8% in 2022, so we expect the bank to raise its policy rate at least once more this year, peaking at 4.25%-4.5%.

Outlook

The stable outlook reflects our view that Norway has ample financial buffers and headroom to withstand a temporary economic shock without a significant impact on its credit metrics. The sovereign has extremely strong fiscal and external net asset positions, which together with high wealth levels, strong institutions, and an effective monetary policy regime, support the rating.

Downside scenario

Our 'AAA' rating on Norway could come under pressure if the country's robust external and fiscal balance sheets rapidly erode, combined with significantly weaker institutions and governance standards; or geopolitical risk markedly rises, leading to external security risk for the country.

Rationale

Institutional and economic profile: Weakening private consumption to dampen economic growth in 2023-2024

We expect real GDP growth to decelerate to 1.2% in 2023 after a strong 3.3% in 2022, before rebounding slightly to 1.4% in 2024. The deceleration stems from falling household consumption as Norwegians see their purchasing power eroded by high inflation and high interest rates. However, compared to our projections six months ago, household consumption has proven more resilient than expected. This is primarily thanks to high savings buffers accumulated during the COVID-19 pandemic and a still-solid labor market, which has supported consumption. Nevertheless, we note that the savings rate has turned negative, indicating that consumption is partly financed by savings, which we don’t believe is sustainable in the long run. Moreover, the accumulated savings are not evenly distributed across income groups, indicating that although total savings remain high, some households are more constrained.

The labor market is still tight in Norway, with record low unemployment of 3.4% (seasonally adjusted in July 2023) and labor supply constraints in many sectors. However, due to weaker economic activity and inflows of jobseekers from abroad, we expect unemployment to increase to 3.6% in 2023 and peak at 4.0%in 2025. We understand that pressure has already started to rise in the construction and retail sectors, while the petroleum sector continues to experience supply constraints.

We expect oil and gas prices to fall from last year’s highs, but demand for Norwegian oil and gas will remain elevated, supporting exports. We forecast Brent oil prices will average $85 per barrel (/bbl) in second-half 2023 and through 2026, while Title Transfer Facility natural gas will gradually decline from $14 per metric million British thermal units (mmBtu) in second-half 2023 to 10$/mmBtu in (see "S&P Global Ratings Lowers Hydrocarbon Price Assumptions On Moderate Demand," published June 22, 2023, on RatingsDirect). At the same time, we expect investment in the petroleum industry to rise about 10% in 2023 and 3% in 2024, boosted by temporary tax incentives approved in 2020 that companies are eligible for if they submitted development plans to authorities before year-end 2022, and these are approved before year-end 2023. We believe investments in the rest of the economy, however, will be subdued in 2023-2024 due to high inflation, monetary tightening, and limited global and national demand.

The direct effects from the Russia-Ukraine war on Norway's economic growth are limited due to only minor ties before the conflict (less than 1% of exports were to Russia, Ukraine, and Belarus combined in 2021). In March 2022, the GPFG froze its $30 billon investment in Russia, although this is relatively small compared to the fund's total size. However, we believe overall global sentiment has an indirect negative effect via external demand, while we see a positive impact on the value of oil and gas exports, primarily via the price channel.

For 2024-2026, we expect real GDP growth will average 1.6% annually, supported by recovering private consumption as inflation declines, and a rise in mainland investments. Notably, we think investment in the green transition, such as the battery industry, will support growth in the outer year of our forecast horizon. Oil and gas exports, which constitute about 40% of total exports, will continue to be supported by increased production as new fields come onstream. However, as hydrocarbon prices moderate after extraordinary high levels in 2022, we expect to see export growth slow from 4.5% in 2023 to about 2% on average over 2024-2026. Nevertheless, because of the Russia-Ukraine war, Norway has become a vital supplier of gas to Europe, and we believe demand will remain high. Norway is a North Atlantic Treaty Organization member and despite a land border with Russia, we view external security risks as limited. However, we believe that security risk to its energy sector has risen since the war started, given the country's increasingly important role in replacing oil and gas supply previously from Russia. We also see a rise in cyber risk, as recently illustrated by cyber-attacks on 12 Norwegian ministries in July 2023, which led to suspended access to email services to minimize the damage.

Reasonably robust medium-term oil prices will support the oil sector through 2023. However, the ongoing reliance on hydrocarbons could hamper diversification, since a more profitable petroleum sector decreases incentives to expand into other areas. The oil sector also runs the risk of being impaired by more-stringent environmental legislation. Still, Norway is relatively strong in other sectors--such as engineering, fishing, and maritime industries--and beyond the war and cost-of-living crunch, we expect public policy to further focus on economic diversification. As a way of diversifying Norway’s maritime industries, the government has initiated processes to extract seabed minerals found on the continental shelf. This will give the country access to highly sought-after metals such as lithium and cobalt that could both boost export revenue and aid the sovereign in its green transition.

General elections in September 2021 led to a change in the government composition, and Norway is now governed by a center-left minority government led by the Labour party, following a right-wing government that ruled for eight years. However, we do not expect any material changes to key economic policies, such as the fiscal spending rule, because these are well entrenched across parties. The government's focus areas are welfare and social security, promoting nonoil exports, and the green transition. It aims to reduce greenhouse emissions 55% by 2030 and gradually increase the carbon dioxide tax to Norwegian krone (NOK) 2,000 per ton in 2030, from NOK591 per ton in 2021. Although a potential stop to new oil exploration was debated in the run-up to the election, we understand that this is not on the government’s agenda, and we do not expect any material changes to current policies in the next couple of years.

Household debt to disposable income, at 238% as of first-quarter 2023, is among the highest in the Organization for Economic Cooperation and Development. We project the ratio will remain near this level over the next two years since we forecast household debt levels will move sideways and wage growth will be tempered. Despite rising interest rates, we note that house prices have remained broadly stable in 2023 following a temporary cooling during autumn 2022. Financing costs have been rising following Norges Bank's policy rate hikes over 2021-2023, and we expect it will raise rates again in second-half 2023. Given the low share of household debt carrying fixed interest rates, we believe the accumulated imbalance could pose a risk. However, overall nominal debt service for households is cushioned by the fact that most mortgages are annuity loans facing contractual amortization schedules. Furthermore, many banks have been applying a stress test when underwriting loans to ensure the individual has the capacity to repay, even in a higher interest rate environment. As such, we project house price growth will abate over the next two years, primarily due to higher interest rates. However, given housing construction has slowed and labor markets are supporting wage growth over the medium term, any fall in house prices will likely be short-lived.

Flexibility and performance profile: The country's net external asset position is among the highest of rated sovereigns

Norway's very strong external and fiscal net asset position is underpinned by significant assets held in its sovereign wealth fund, the GPFG. During first-half 2023, the GPFG reported a return on investments of 10%, compared to a negative return of 14.1% in 2022 after last year's broad-based decline in global equity markets. The market value of the fund has been further supported by record-high inflows from petroleum activity in both 2022 and 2023, and reached $1.428 trillion as of June 30, 2023, up from $1.262 trillion six months prior. The fund's assets represent about 310% of the country's GDP, generating sizable yearly cash flows from dividends and coupon payments. Apart from 2022, returns on the fund's large asset base have been the main source of growth In its market value in recent years, with inflows of petroleum tax revenue and state-owned petroleum activities contributing to a lesser degree. In our view, Norway is in a strong position to navigate periods of market distress given its large buffers. According to the fiscal framework, transfers from the GPFG to the central government budget should not average more than the fund's expected return (currently 3% of the fund's value) in the long run. However, higher transfers are permitted during economic downturns, as seen during the ongoing war-triggered cost-of-living crunch, and the pandemic.

We estimate that government spending will remain relatively high in 2023-2024, particularly due to price adjustments to social benefits, national insurance scheme payments, and public wages, as well as spending related to the war in Ukraine. Meanwhile, support related to household electricity bills will decline because energy prices have reduced. The government has proposed new tax measures, such as introducing a high price contribution on onshore wind power and raising the resource rent tax rate on hydropower, which will help cover the increased expenditure. As per the revised 2023 budget, the Norwegian government plans to keep transfers from the GPFG broadly stable in nominal terms but increase them by 0.5 percentage points (of mainland GDP) this year, which means a slightly expansionary fiscal stance. This contrasts with the initial budget, which would have seen a reduction in transfers and a contractionary stance. We believe the shift to an expansionary fiscal stance will have a marginal positive impact on economic activity, but it could prevent inflation from declining faster. Given the rise in spending, we now expect the nonoil deficit (excluding transfers from the GPFG) to increase to 6.2% of GDP, from about 5.1% estimated in 2022. We expect the deficit to be covered by oil-related revenue and investment income from the GPFG, leading to a net transfer to the fund and an overall general government surplus. This is in line with the pre-pandemic years when inflows to the GPFG exceeded the fund's transfers to the central government budget.

We expect gross general government debt will average about 40% of GDP over 2023-2026. The government's net asset position (general government assets minus debt), in which we include the GPFG, remains exceptionally strong at more than 250% of GDP on average over the same period. Although increasing in line with rising interest rates, the interest burden on general government debt will remain low, averaging about 1.6% of government revenue in 2023-2026. The central government's debt issuance is largely to finance lending and capital injections into state lending institutions.

Alongside fiscal resilience, with the GPFG's assets invested abroad, Norway will remain in an extremely strong net external asset position, at more than 500% of current account payments on average for 2023-2026. This also supports a solid income balance, which we project will average 3.6% over 2023-2026. Following the significant increase in oil and gas prices over the past two years, as well as Norway's increased importance as a gas supplier to Europe, the current account surplus has risen from comparably low levels of 1.1% of GDP in 2020. After a historically high current account surplus estimated at about 30% of GDP in 2022, we forecast a decline to about 15% in 2023, largely following our expectations for oil and gas prices, and further to about 12% on average in 2024-2026.

Albeit strengthening somewhat over the summer, the NOK has depreciated about 10% against the euro since the start of this year. We believe this can primarily be explained by a narrowing interest rate differential vis-à-vis trading partners, general global financial uncertainty, and to some extent lower gas prices and timing mismatches between Norges Bank's NOK sales and purchases by petroleum companies. We expect the NOK to remain weak from a historical perspective but gradually strengthen as uncertainty fades. However, in the near term, the NOK rate will prevent inflation from declining faster.

Norges Bank operates with an inflation-targeting regime and has a track record of operational independence and clear policy objectives. It has a wide array of monetary instruments at its disposal and well-developed capital markets enable effective policy transmission. After lowering its policy rate to 0% from 1.5% in spring 2020 to dampen the pandemic's effects, the bank has since increased the rate to 4%. We expect Norges Bank to hike rates at least once more in 2023 to land at 4.25%-4.5%. Given that we expect inflation to remain elevated, we now expect the policy rate to remain at its peak until at least 2025.

The Norwegian banking sector is stable, with a low risk appetite, despite tight competition in the retail segment. We believe banks' high profitability, sound capital adequacy, and sound risk management increase the financial system's resilience and mitigate risks in case of a severe downturn. The largest Norwegian banks' average return on equity increased to 12.7% as of year-end 2022, compared with the 10-year average of 11.5%, and we estimate it at 11.5%-12.5% through 2024, supported by rising interest rates, which are boosting net interest margins. We consider Norwegian banks at the forefront of digital transformation, thanks to their accessible and user-friendly products that will continue to help manage costs and further support the banking sector's resilience and sound profitability over the next few years. In our view, the sector continues to manage long-term transition risks, with banks proactively decreasing their exposure and engaging in the sector to increase the share of investments and production of green technology and energy sources. We believe the Norwegian authorities have managed pandemic-related stress and are proactively addressing emerging risks, including cyber threats and environmental, social, and governance issues. Similarly, we consider Norway's financial regulation and supervision ahead of its peers in terms of both regulatory oversight and innovation. We believe that banks have been strengthening their credit assessments and overall underwriting standards, reducing their related risk exposure accordingly.

In our view, banks in Norway have stable and reliable access to domestic and international capital markets, in addition to deposits. Customer deposits accounted for 47% of total funding, while market funding accounted for about 40% of the funding structure as of first-quarter 2023, marking a slight shift toward more deposit-based funding. We do anticipate that domestic deposits as a share of total domestic loans will decline again as record savings are drawn and market-based funding levels become attractive relative to deposit rates. Generally, we see Norwegian deposits as a stable funding source in adverse market conditions because a large proportion are protected by the deposit guarantee scheme of the Norwegian Banks' Guarantee Fund. As of 2022, about 20% of Norwegian banks' total funding consisted of these guaranteed deposits. We continue to view the debt capital market as deep and active while the Norwegian covered bond market is well established and the 10th largest in Europe. Moreover, we believe the central bank has considerable capacity and well-established policy frameworks to support banks' funding and liquidity in times of stress.

Norway--Selected Indicators

	2017	2018	2019	2020	2021	2022	2023bc	2024bc	2025bc	2026bc
Economic indicators (%)										
Nominal GDP (bil. NOK)	3,323.1	3,576.6	3,596.9	3,461.6	4,211.6	5,570.7	4,870.8	5,067.4	5,112.3	5,137.0
Nominal GDP (bil. $)	401.8	439.8	408.7	367.6	490.3	579.4	478.5	494.4	524.3	549.4
GDP per capita (000s $)	76.4	83.1	76.7	68.5	90.9	106.8	87.4	89.7	94.7	98.8
Real GDP growth	2.5	0.8	1.1	(1.3)	3.9	3.3	1.2	1.4	1.7	1.6
Real GDP per capita growth	1.5	0.1	0.5	(2.0)	3.4	2.6	0.3	0.7	1.3	1.2
Real investment growth	2.6	2.2	9.5	(4.1)	(0.8)	4.3	1.2	1.5	1.5	1.3
Investment/GDP	27.6	27.7	29.6	31.4	25.6	20.6	24.9	25.1	25.5	26.0
Savings/GDP	33.9	36.7	33.4	32.5	39.2	50.8	40.0	39.8	37.7	35.8
Exports/GDP	36.7	38.2	36.6	32.2	41.7	55.7	46.4	46.6	43.8	41.2
Real exports growth	1.6	(1.5)	2.1	(2.3)	5.8	5.9	4.5	2.3	1.8	2.0
Unemployment rate	4.2	3.8	3.7	4.6	4.4	3.2	3.6	3.8	4.0	3.9
External indicators (%)										
Current account balance/GDP	6.3	9.0	3.8	1.1	13.6	30.2	15.1	14.8	12.2	9.8
Current account balance/CARs	13.0	17.7	7.8	2.6	25.7	45.5	25.8	25.0	21.5	17.9
CARs/GDP	48.6	50.7	48.6	42.8	53.1	66.2	58.6	59.1	56.7	54.8
Trade balance/GDP	6.0	8.0	4.0	(0.3)	12.3	28.2	13.3	13.1	10.4	7.6
Net FDI/GDP	0.7	(4.6)	2.2	1.9	(2.8)	(1.8)	(2.0)	(2.0)	(2.0)	(1.5)
Net portfolio equity inflow/GDP	(3.8)	(9.7)	(7.0)	(3.5)	9.6	(12.9)	(6.7)	(6.6)	(5.2)	(4.3)
Gross external financing needs/CARs plus usable reserves	177.8	171.1	186.2	206.9	158.7	119.2	166.6	158.6	162.6	167.4
Narrow net external debt/CARs	(363.2)	(279.6)	(402.8)	(586.9)	(402.7)	(230.3)	(348.9)	(359.2)	(370.8)	(386.7)
Narrow net external debt/CAPs	(417.4)	(339.6)	(436.9)	(602.4)	(541.8)	(422.8)	(470.3)	(478.9)	(472.3)	(470.9)
Net external liabilities/CARs	(452.3)	(359.6)	(501.9)	(724.8)	(507.6)	(310.9)	(471.6)	(493.2)	(519.4)	(545.5)
Net external liabilities/CAPs	(519.8)	(436.8)	(544.4)	(743.9)	(683.0)	(570.6)	(635.6)	(657.4)	(661.7)	(664.2)
Short-term external debt by remaining maturity/CARs	145.8	139.4	153.2	197.6	130.3	90.8	143.7	130.5	131.3	133.2
Usable reserves/CAPs (months)	4.3	4.3	4.1	5.2	4.7	4.8	5.0	4.7	4.4	4.2
Usable reserves (Mil. $)	65,923.9	63,145.5	66,946.0	75,258.8	84,270.9	86,234.2	86,234.2	86,234.2	86,234.2	86,234.2
Fiscal indicators (general government %)										
Balance/GDP	5.0	7.8	6.5	(2.6)	10.6	26.0	20.0	10.0	6.0	6.0
Change in net debt/GDP	(26.4)	8.1	(49.2)	(25.0)	(31.2)	1.3	(36.9)	(3.8)	0.9	(4.6)
Primary balance/GDP	5.6	8.5	7.2	(1.9)	11.1	26.6	20.7	10.8	6.9	6.9
Revenue/GDP	54.2	55.5	56.7	54.2	58.1	64.6	64.6	55.0	54.5	54.0
Expenditures/GDP	49.2	47.7	50.2	56.7	47.5	38.6	44.6	45.0	48.5	48.0
Interest/revenues	1.2	1.2	1.2	1.2	0.8	0.8	1.2	1.5	1.7	1.7
Debt/GDP	38.3	39.4	40.6	46.1	42.8	37.1	43.7	42.8	43.1	43.6
Debt/revenues	70.7	71.0	71.5	85.2	73.6	57.5	67.6	77.8	79.1	80.7
Net debt/GDP	(218.9)	(195.3)	(243.3)	(277.9)	(259.6)	(195.0)	(259.8)	(253.5)	(250.4)	(253.8)
Liquid assets/GDP	257.2	234.7	283.9	324.0	302.4	232.1	303.5	296.3	293.5	297.3
Monetary indicators (%)										
CPI growth	1.8	2.8	2.2	1.3	3.5	5.8	5.7	3.2	2.7	2.3
GDP deflator growth	4.1	6.7	(0.6)	(2.5)	17.1	28.1	(13.6)	2.6	(0.8)	(1.1)
Exchange rate, year-end (NOK/$)	8.2	8.7	8.8	8.5	8.8	9.9	10.5	10.0	9.5	9.2
Banks' claims on resident non-gov't sector growth	6.5	4.7	4.9	4.6	4.8	5.6	2.7	(0.4)	2.2	3.0
Banks' claims on resident non-gov't sector/GDP	149.8	145.8	152.1	165.3	142.5	113.7	133.6	127.9	129.5	132.8

Norway--Selected Indicators

Foreign currency share of claims by banks on residents	4.7	4.4	4.2	3.6	3.2	3.3	4.06	4.26	4.36	4.42
Foreign currency share of residents' bank deposits	26.1	26.4	24.1	21.8	20.6	23.3	21	21	21	21.00
Real effective exchange rate growth	(0.3)	(0.4)	(0.8)	(13.2)	10.2	2.4	N/A	N/A	N/A	N/A

Sources: Eurostat, Statistics Norway (economic indicators); Statistics Norway, International Financial Statistics (monetary indicators); and Statistics Norway (fiscal, debt and external indicators).

Adjustments: We consider the central government balance as non-oil balance.

Definitions: Savings is defined as investment plus the current account surplus (deficit). Investment is defined as expenditure on capital goods, including plant, equipment, and housing, plus the change in inventories. Banks are other depository corporations other than the central bank, whose liabilities are included in the national definition of broad money. Gross external financing needs are defined as current account payments plus short-term external debt at the end of the prior year plus nonresident deposits at the end of the prior year plus long-term external debt maturing within the year. Narrow net external debt is defined as the stock of foreign and local currency public- and private- sector borrowings from nonresidents minus official reserves minus public-sector liquid claims on nonresidents minus financial-sector loans to, deposits with, or investments in nonresident entities. A negative number indicates net external lending. N/A- Not applicable. NOK--Norwegian krone. CARs--Current account receipts. FDI--Foreign direct investment. CAPs--Current account payments. The data and ratios above result from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information.

Norway Ratings Score Snapshot

Key rating factors	Score	Explanation
Institutional assessment	1	Norway has a long track record of democratic governments with effective and flexible policymaking. The prudent policymaking is best reflected in its fiscal rule and the creation of a fund (the Government Pension Fund Global) to gradually phase oil revenue into the economy and preserve wealth for future generations, since we expect oil revenue to decline and age-related spending to increase over the long term. There are extensive checks and balances between institutions, a free flow of information, and policy decisions are openly debated.
Economic assessment	1	Based on GDP per capita ($) as per the Selected Indicators in Table 1.
External assessment	1	Based on narrow net external debt as per Selected Indicators in table 1, considering we view the Norwegian krone as an actively traded currency.
		Norway has an actively traded currency, and we expect it to run consistent current account surpluses over 2023-2026 as per Selected Indicators in Table 1.
		Norway controls an actively traded currency and its short-term external debt by remaining maturity stands above 100% of current account receipts (CAR) as shown in Selected Indicators in Table 1.
		Norway's net international investment position is more favorable than the narrow net external debt position by over 100% of CAR, as per Selected Indicators in Table 1.
Fiscal assessment: flexibility and performance	1	Based on the change in net general government debt (% of GDP) as per Selected Indicators in Table 1.
		Based on liquid assets to GDP as per Selected Indicators in Table 1. These include large assets from sovereign wealth fund, the Government Pension Fund Global.
Fiscal assessment: debt burden	1	Based on net general government debt (% of GDP) and general government interest expenditure (% of general government revenue) as per Selected Indicators in Table 1.
Monetary assessment	1	The Norwegian krone is an actively traded currency.
		Norges Bank operates an inflation targeting regime and has a long history of full operational independence.
Indicative rating	aaa	As per Table 1 of "Sovereign Rating Methodology."
Notches of supplemental adjustments and flexibility	1	Based on liquid assets to GDP as per Selected Indicators in Table 1. These include large assets from the Government Pension Fund Global.
Final rating		
Foreign currency	AAA	

Norway Ratings Score Snapshot

Key rating factors	Score	Explanation
Notches of uplift	0	We do not believe that default risks apply differently to foreign- and local-currency debt.
Local currency	AAA	

S&P Global Ratings' analysis of sovereign creditworthiness rests on its assessment and scoring of five key rating factors: (i) institutional assessment; (ii) economic assessment; (iii) external assessment; (iv) the average of fiscal flexibility and performance, and debt burden; and (v) monetary assessment. Each of the factors is assessed on a continuum spanning from 1 (strongest) to 6 (weakest). S&P Global Ratings' "Sovereign Rating Methodology," published on Dec. 18, 2017, details how we derive and combine the scores and then derive the sovereign foreign currency rating. In accordance with S&P Global Ratings' sovereign ratings methodology, a change in score does not in all cases lead to a change in the rating, nor is a change in the rating necessarily predicated on changes in one or more of the scores. In determining the final rating the committee can make use of the flexibility afforded by §15 and §§126-128 of the rating methodology.

Related Criteria

- Criteria | Governments | Sovereigns: Sovereign Rating Methodology, Dec. 18, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Methodology: Criteria For Determining Transfer And Convertibility Assessments, May 18, 2009

Related Research

- Sovereign Ratings Score Snapshot, Sept. 6, 2023
- Sovereign Ratings History, Aug. 16, 2023
- Sovereign Ratings List, Aug. 16, 2023
- Sovereign Risk Indicators, July 10, 2023. A free interactive version is available at http://www.spratings.com/sri
- Global Sovereign Rating Trends Midyear 2023: Fragile Stability, July 5, 2023
- S&P Global Ratings Lowers Hydrocarbon Price Assumptions On Moderate Demand, June 22, 2023
- 2022 Annual Global Sovereign Default And Rating Transition Study, April 28, 2023

Ratings Detail (as of August 31, 2023)*

Norway

Sovereign Credit Rating		AAA/Stable/A-1+
Transfer & Convertibility Assessment		AAA
Senior Unsecured		AAA
Short-Term Debt		A-1+

Sovereign Credit Ratings History

21-Nov-1990	*Foreign Currency*	AAA/Stable/A-1+
08-Nov-1990		AAA/Stable/--
26-Jun-1989		AAA/Negative/--
27-Jul-1992	*Local Currency*	AAA/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings credit ratings on the global scale are comparable across countries. S&P Global Ratings credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.