



OUTLOOK FOR THE NORWEGIAN ECONOMY

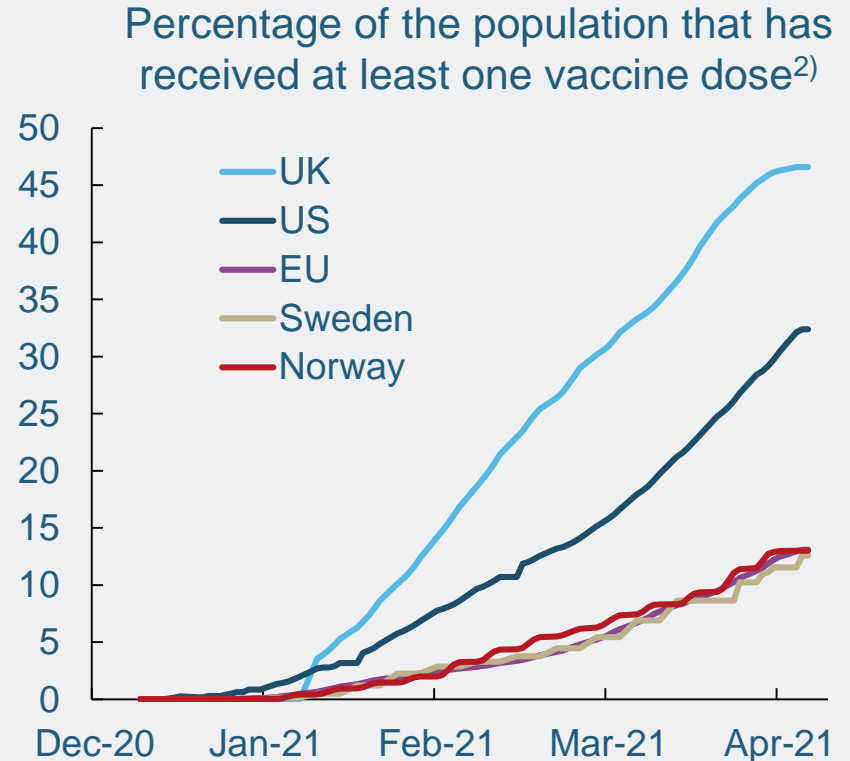
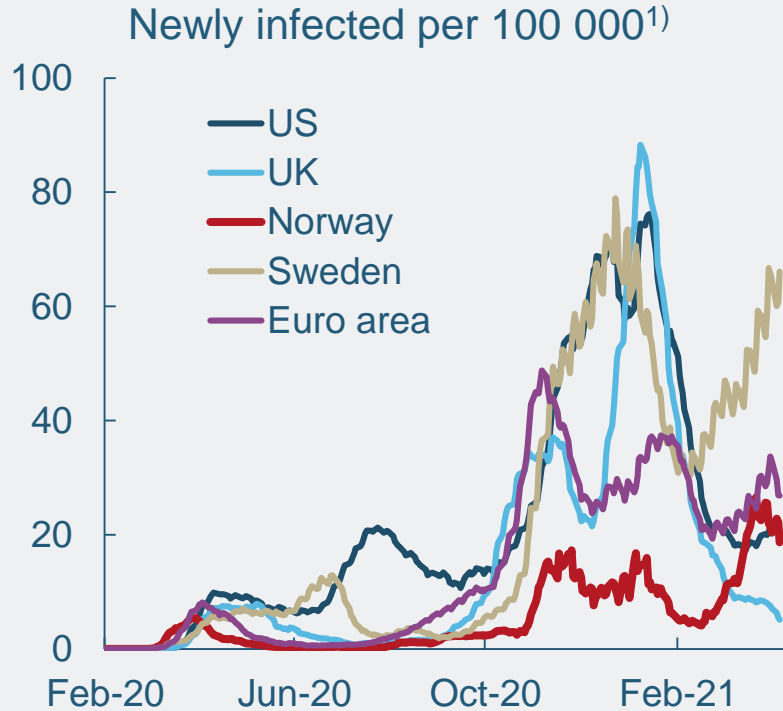
DEPUTY GOVERNOR IDA WOLDEN BACHE

Citi Virtual Macro Policy Roundtable, 9 April 2021



NORGES BANK

The pandemic is not over

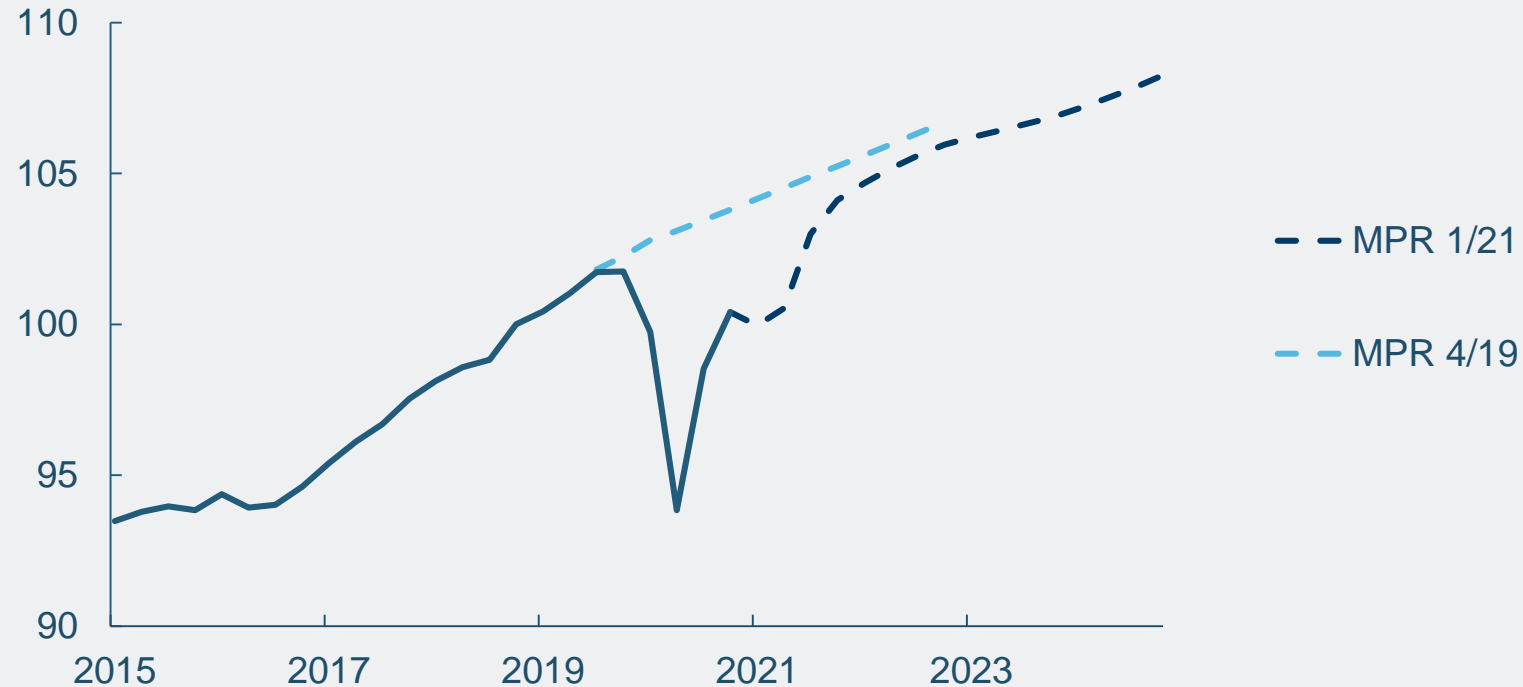


1) Seven-day moving average. 2) At 7 April 2021.
Sources: Refinitiv Datastream and Norges Bank



Emerging from a deep decline

Mainland GDP¹⁾



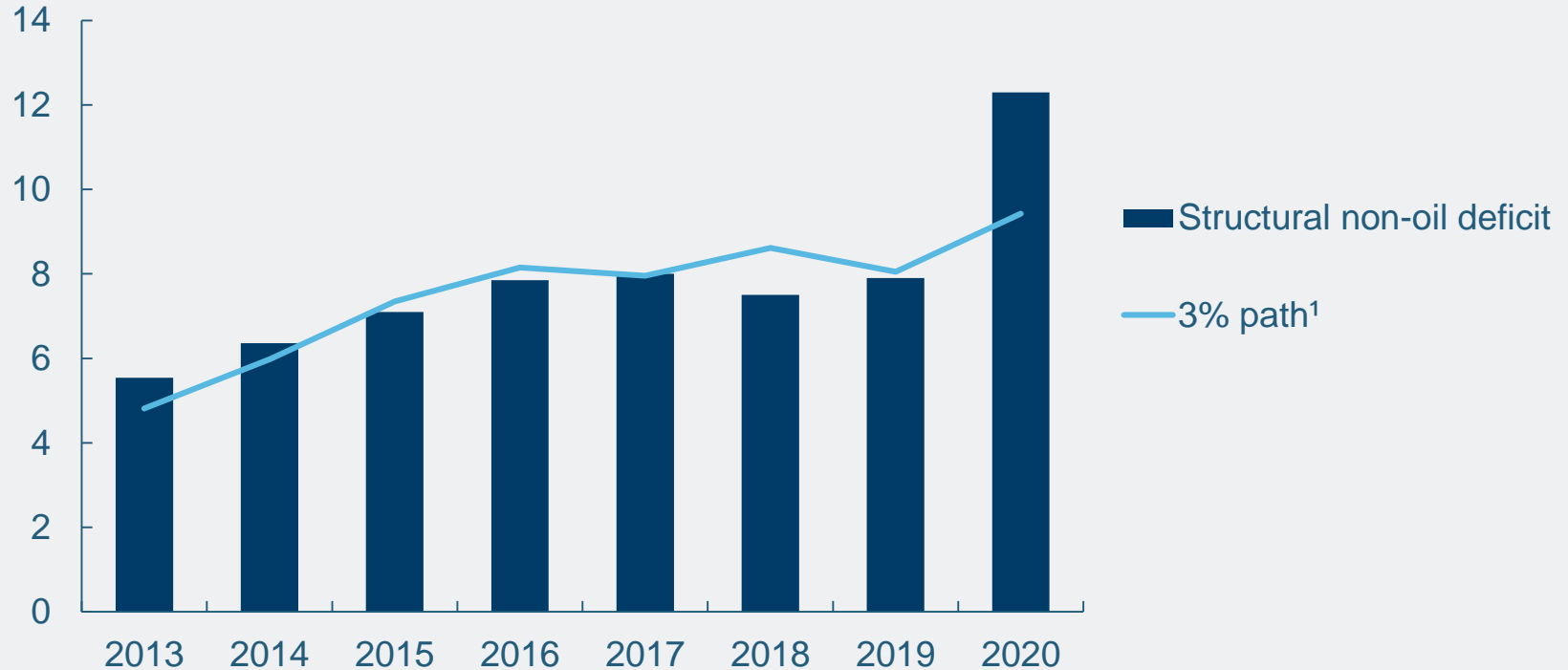
1) Index. 2019 Q4 = 100.

Sources: Statistics Norway and Norges Bank



Expansionary fiscal policy

Percentage of trend GDP for mainland Norway

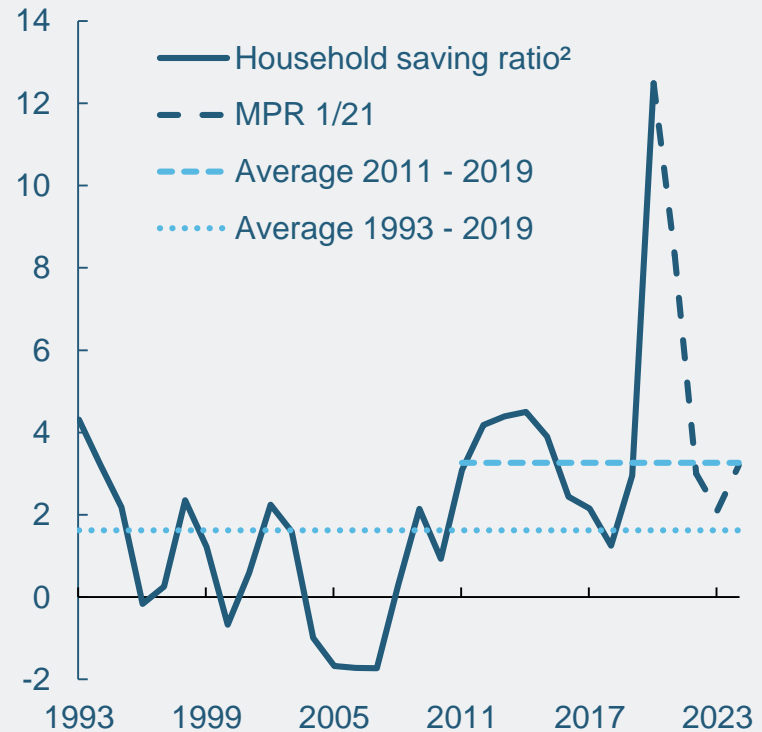
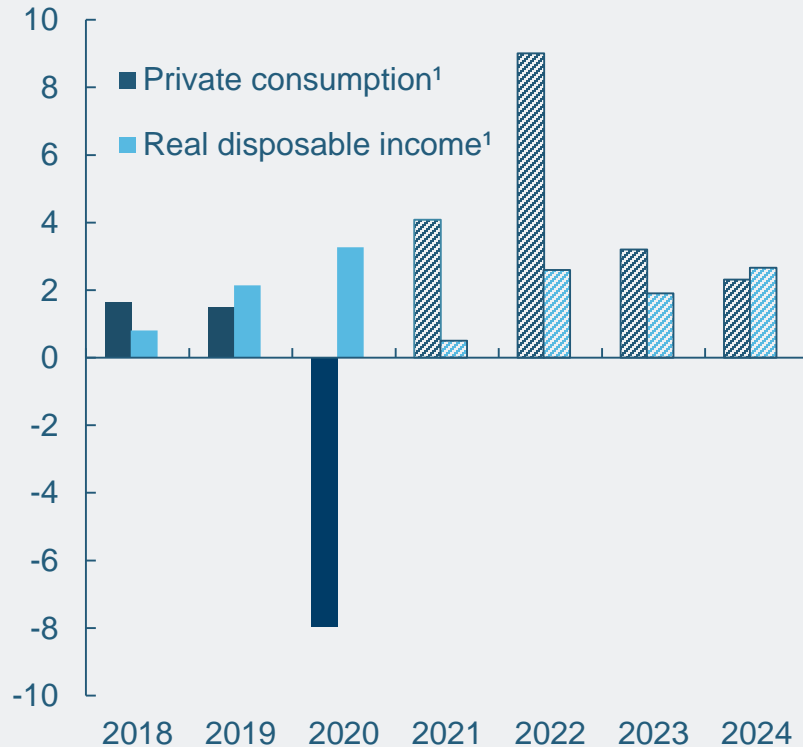


1) Fiscal rule. Transfers from the Government Pension Fund Global (GPF) to the central government budget shall, over time, follow the expected real return on the GPF.

Source: Ministry of Finance



Abrupt shifts in consumption and saving

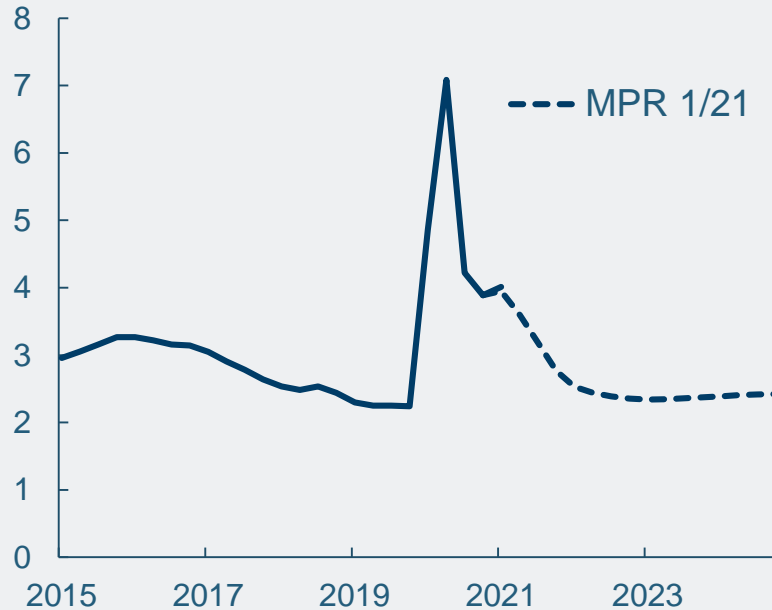


1) Percentage change. 2) Saving ratio excluding dividends. As a percentage of disposable income.
Sources: Statistics Norway and Norges Bank

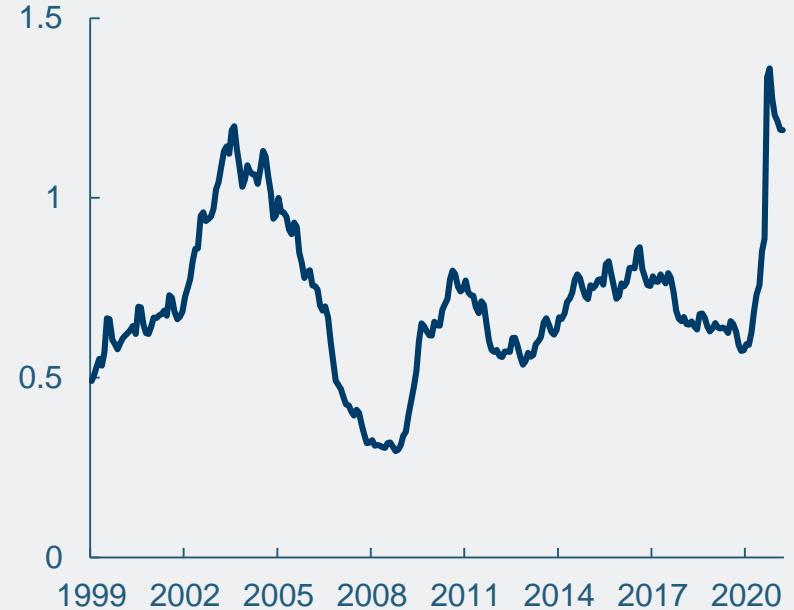


Unemployment projected to fall

Unemployment¹⁾



Long-term unemployment¹⁾



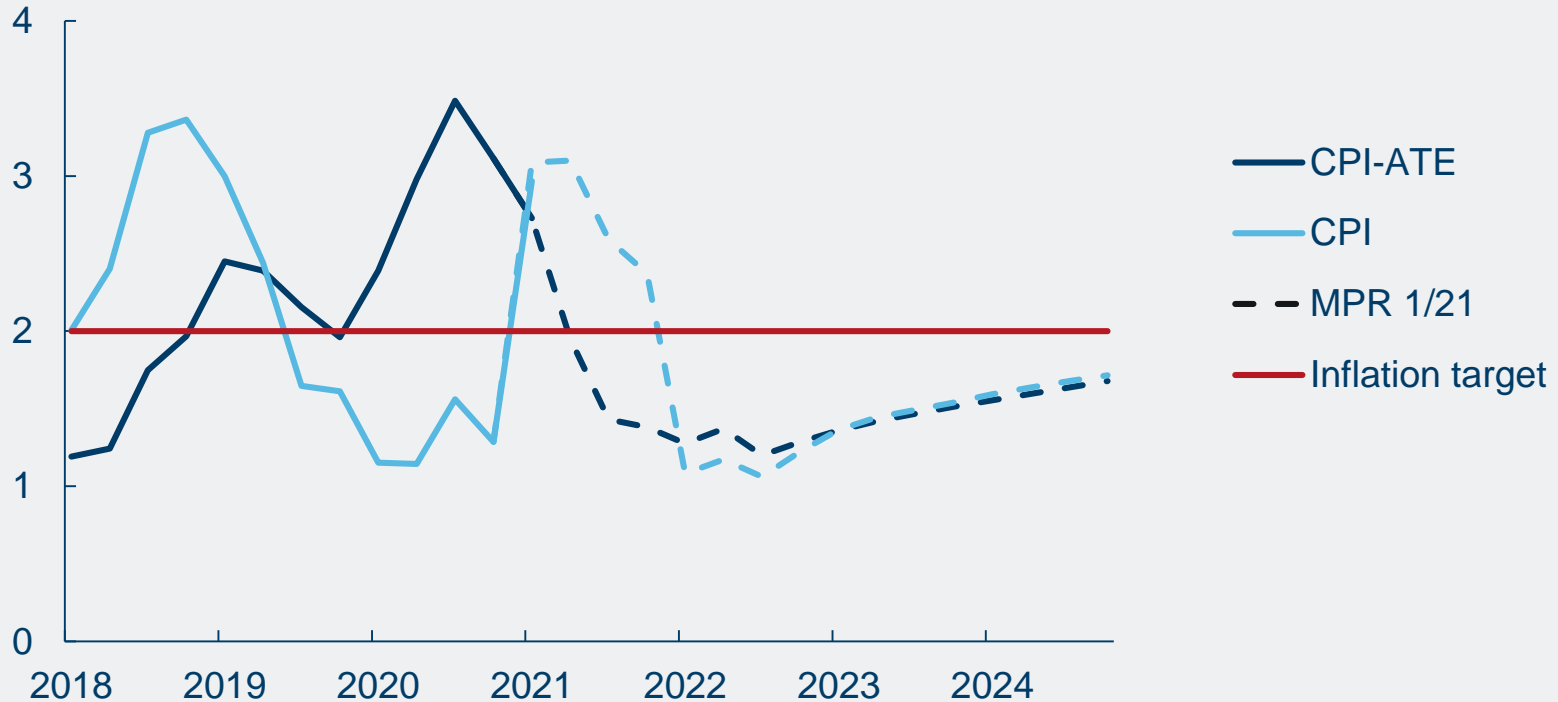
1) As a share of the labour force. Percent.

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



Core inflation has moderated

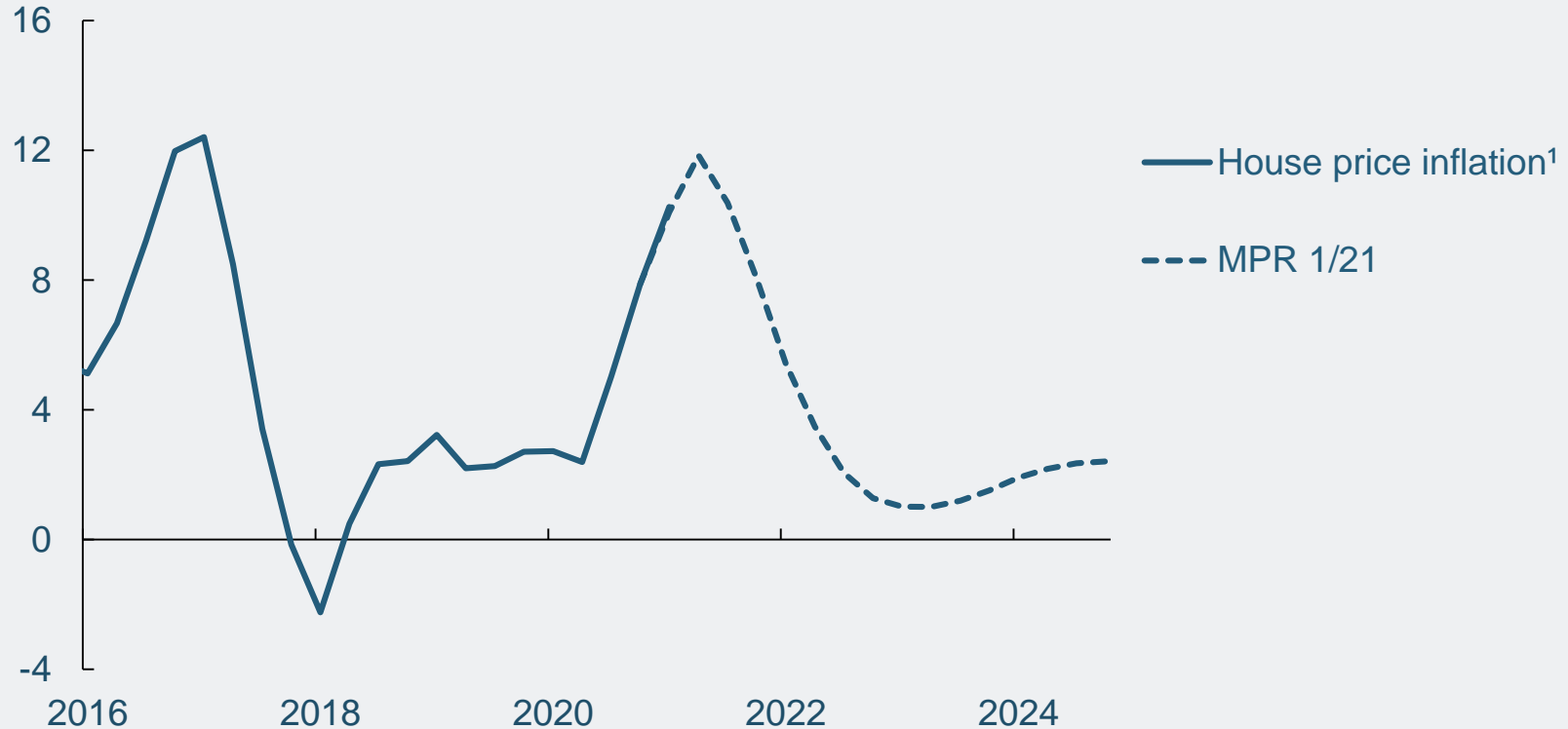
CPI and CPI-ATE



Sources: Statistics Norway and Norges Bank



House prices have risen markedly



1) Four-quarter change. Percent.

Sources: Eiendomsverdi, Finn.no, Real Estate Norway and Norges Bank



Normalisation of financial markets

Krone exchange rate (I-44¹)



Money market premium²⁾



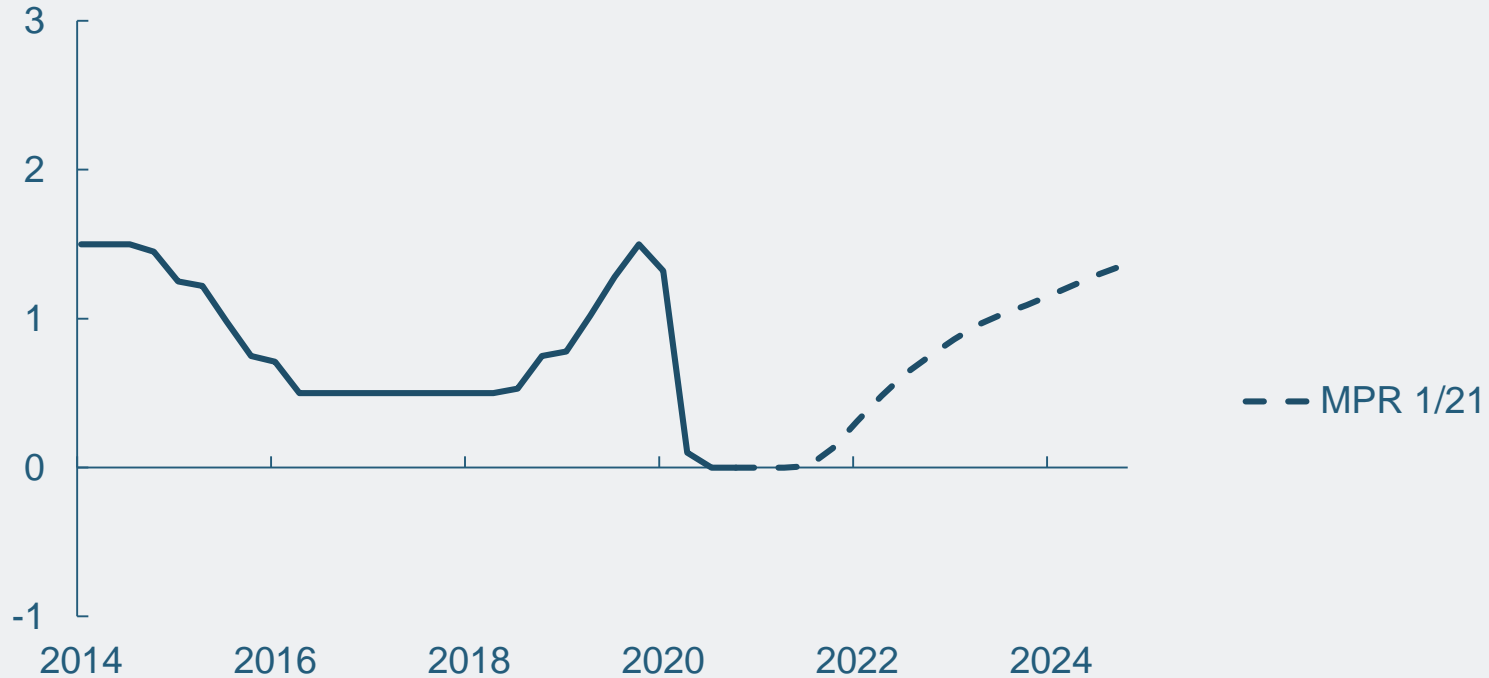
1) Import-weighted exchange rate index. 2) Three-month Nibor premium. Percentage points.

Sources: Refinitiv Datastream and Norges Bank



Prospects for a higher policy rate

Policy rate: Percent





OUTLOOK FOR THE NORWEGIAN ECONOMY

DEPUTY GOVERNOR IDA WOLDEN BACHE

Citi Virtual Macro Policy Roundtable, 9 April 2021



NORGES BANK