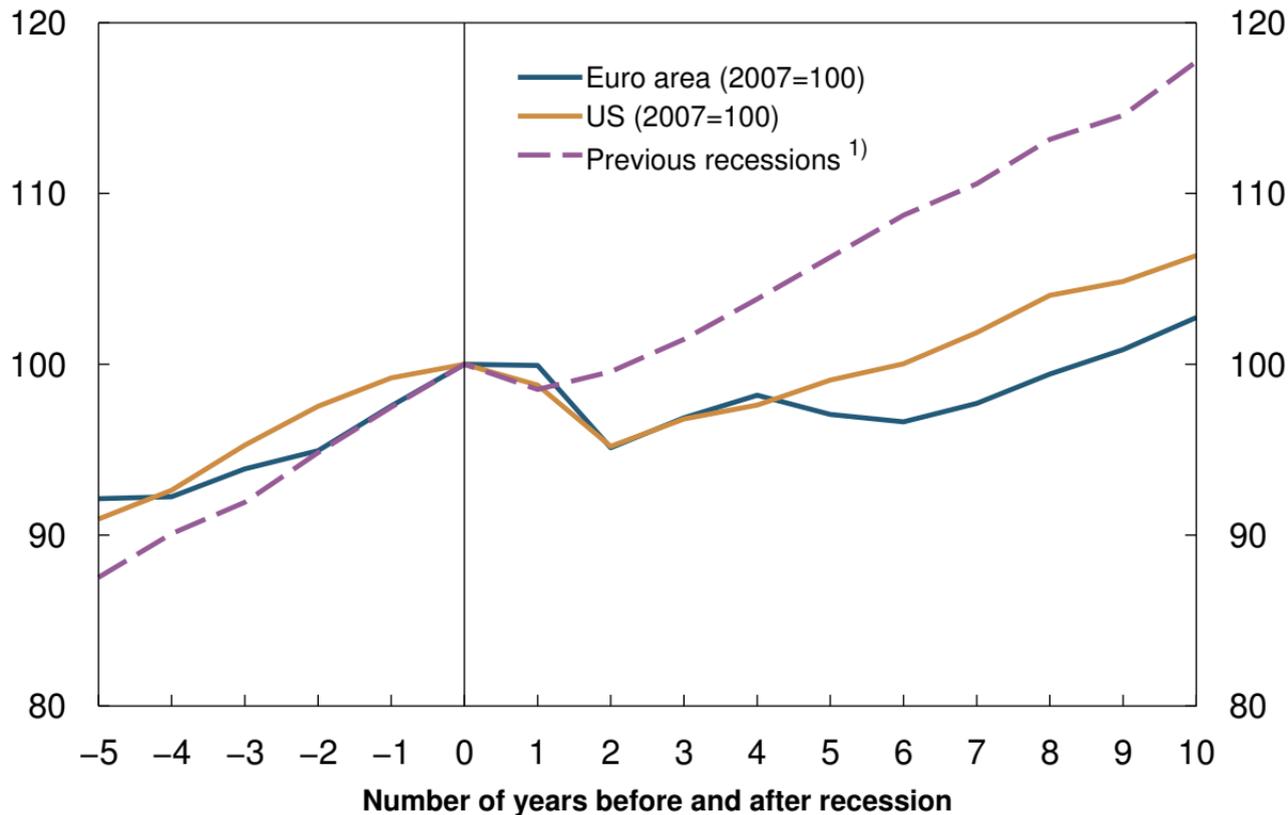


Economic perspectives

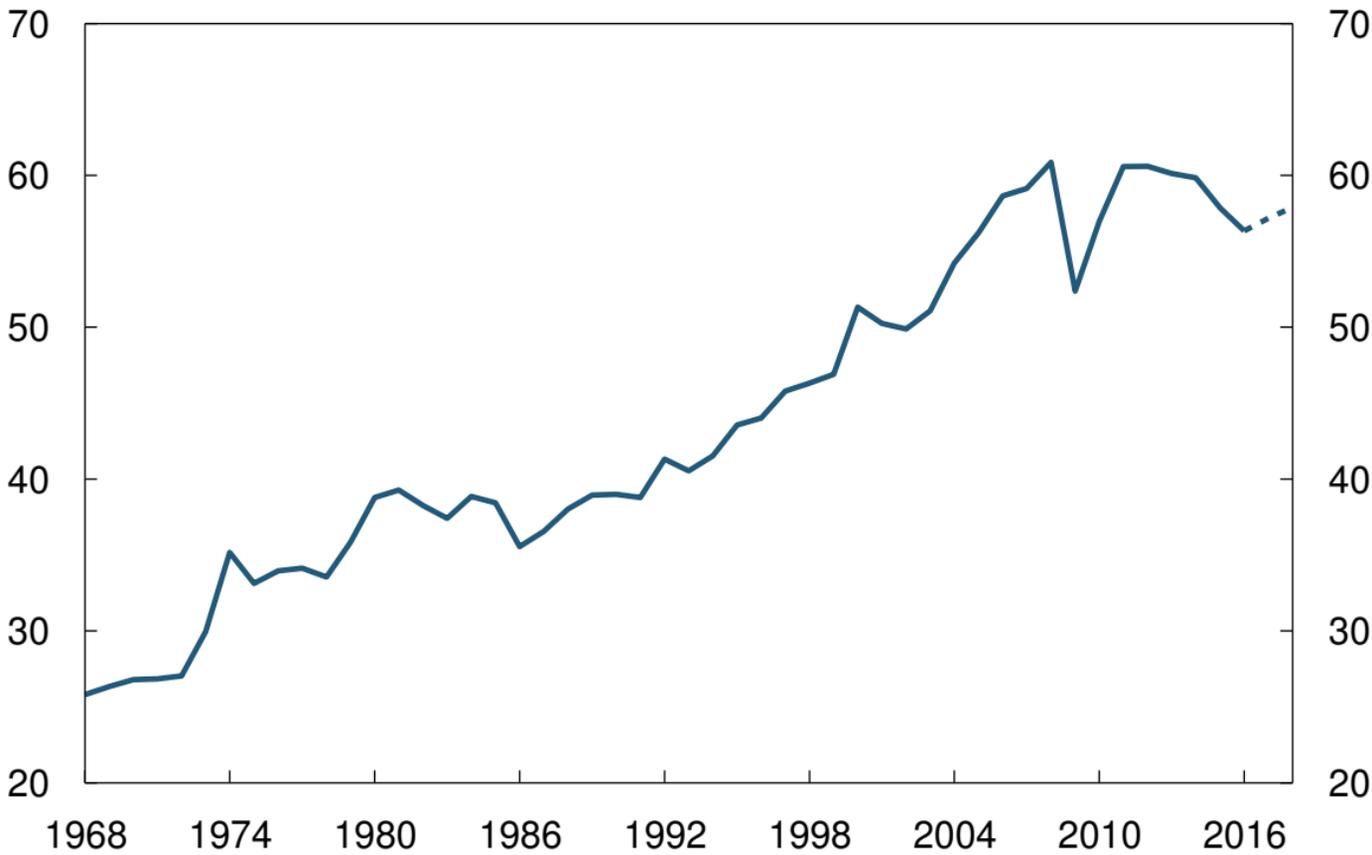
Charts accompanying the Annual address by Governor Øystein Olsen to the Supervisory Council of Norges Bank and invited guests on 15 February 2018

Chart 1 Economic growth following the financial crisis.
GDP per capita. Index. Value in year recession started = 100



1) The first year of a recession is defined as a year where per capita GDP growth turns negative. Previous recessions are defined as the median of all recessions in the period 1920 – 2002, based on the Jordà–Schularick–Taylor Macrohistory Database. The database covers 17 countries. Sources: Thomson Reuters, Jordà–Schularick–Taylor Macrohistory Database and Norges Bank

Chart 2 Global trade as a share of GDP.¹⁾ Percent ²⁾

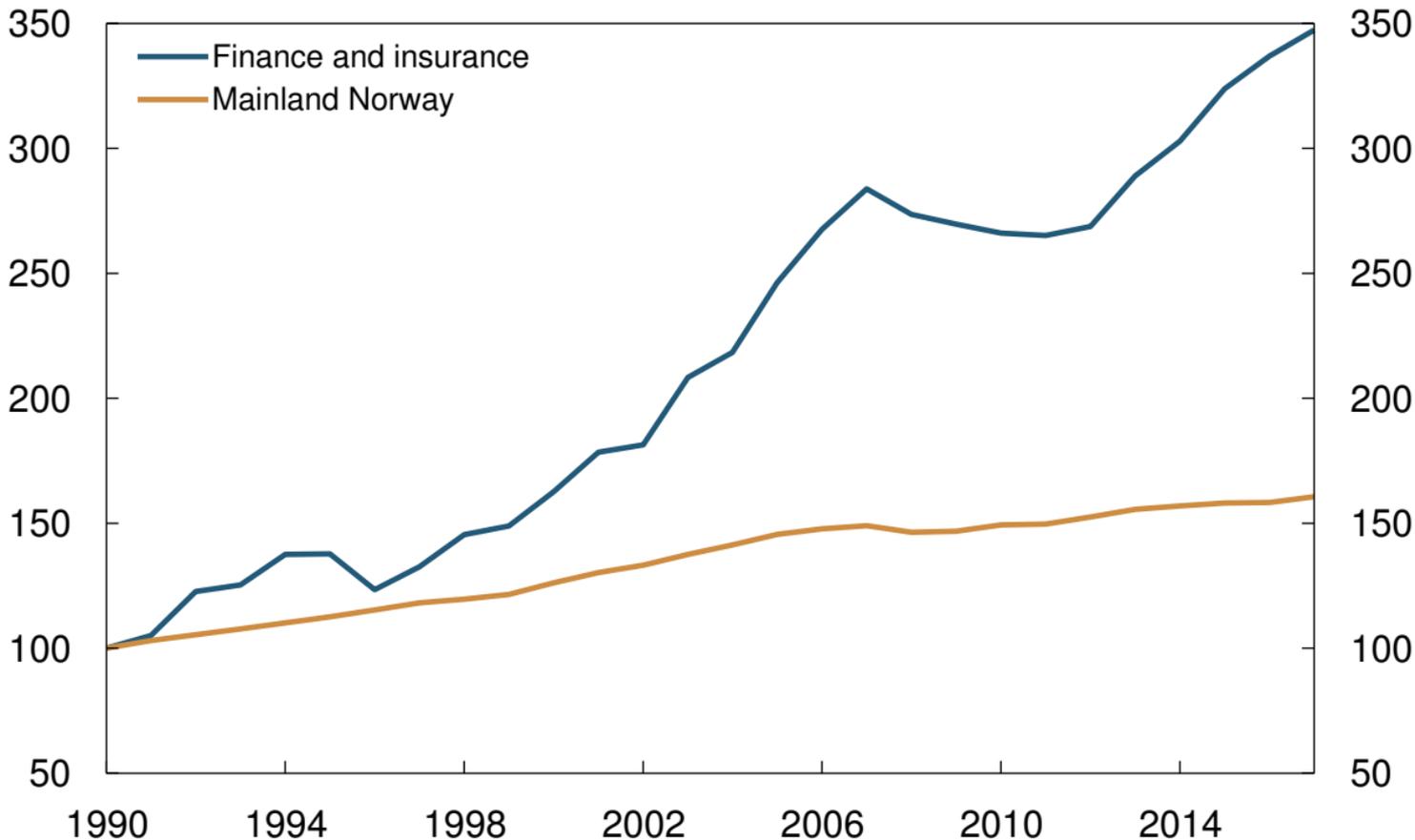


1) Trade is defined as the sum of exports and imports of goods and services.

2) Projections for 2017 and 2018.

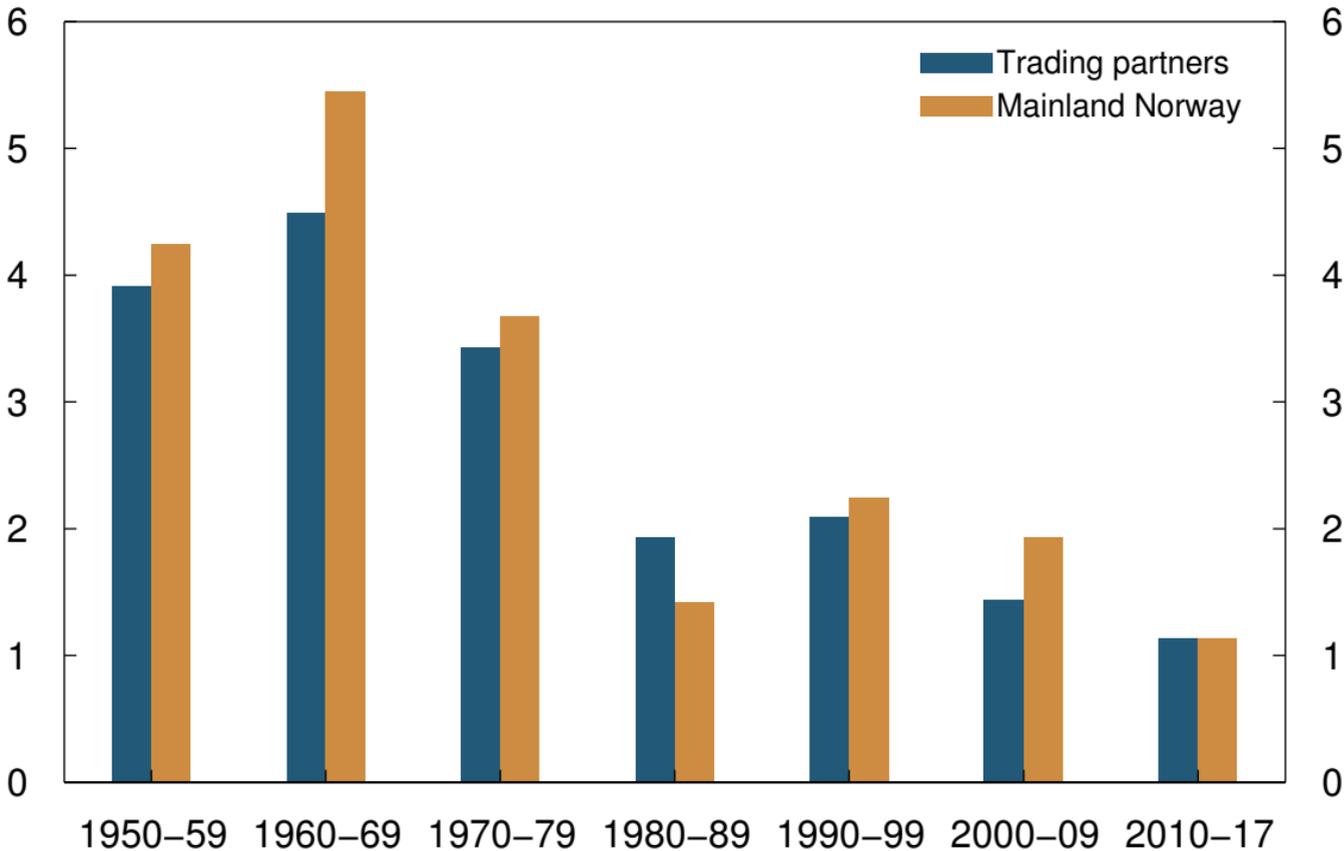
Sources: IMF, World Bank and Norges Bank

Chart 3 Financial sector productivity growth.
GDP per hour worked. Index. 1990 = 100



Sources: Statistics Norway and Norges Bank

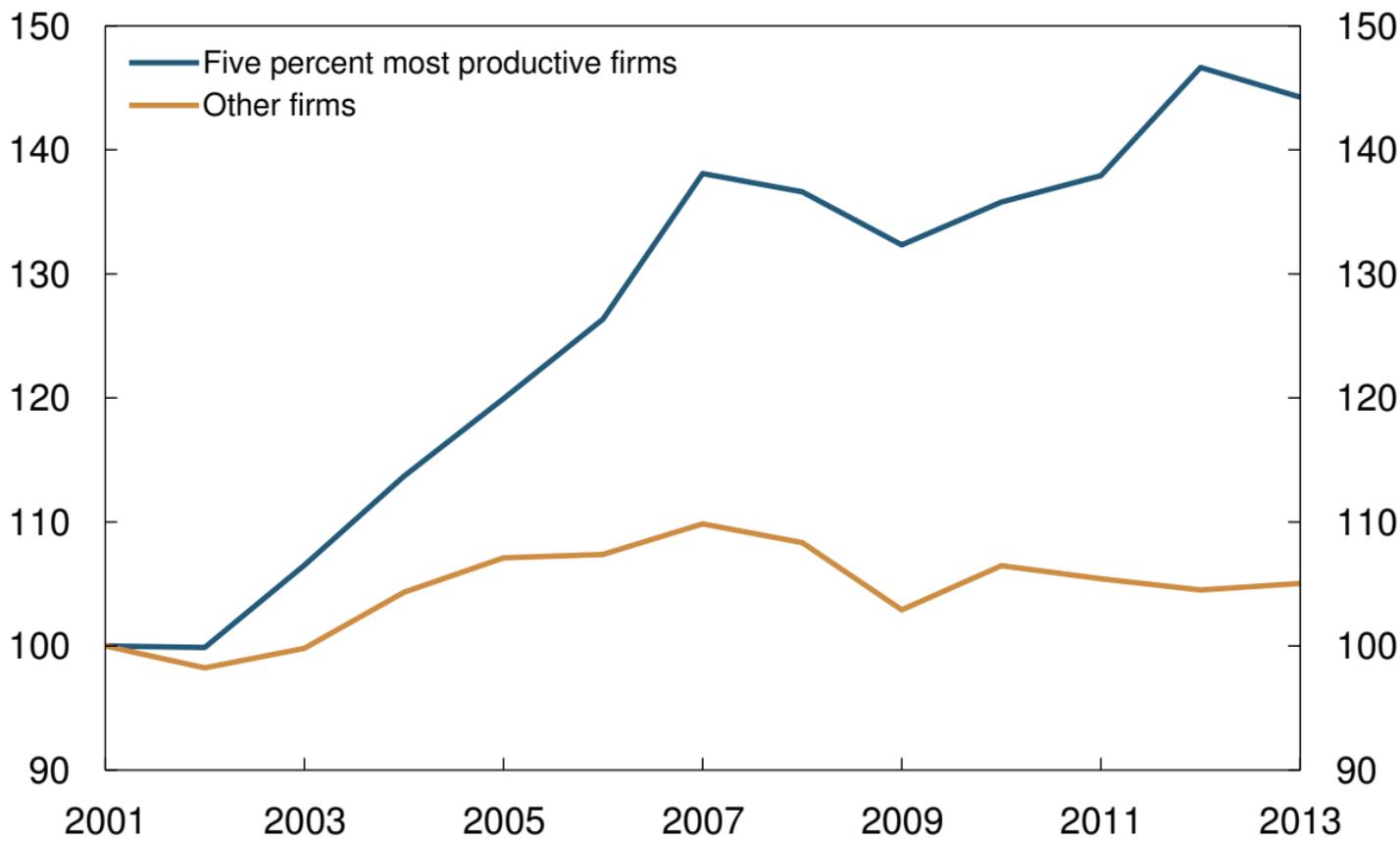
Chart 4 Productivity growth in Norway and abroad.
GDP per hour worked. Average percentage growth



Sources: The Conference Board Total Economy Database™ (Original version) November 2017, Norwegian Technical Calculation Committee for Wage Settlements, Statistics Norway and Norges Bank

Chart 5 Productivity for frontier firms and other firms.

Services.¹⁾ OECD countries. Index. 2001 = 100

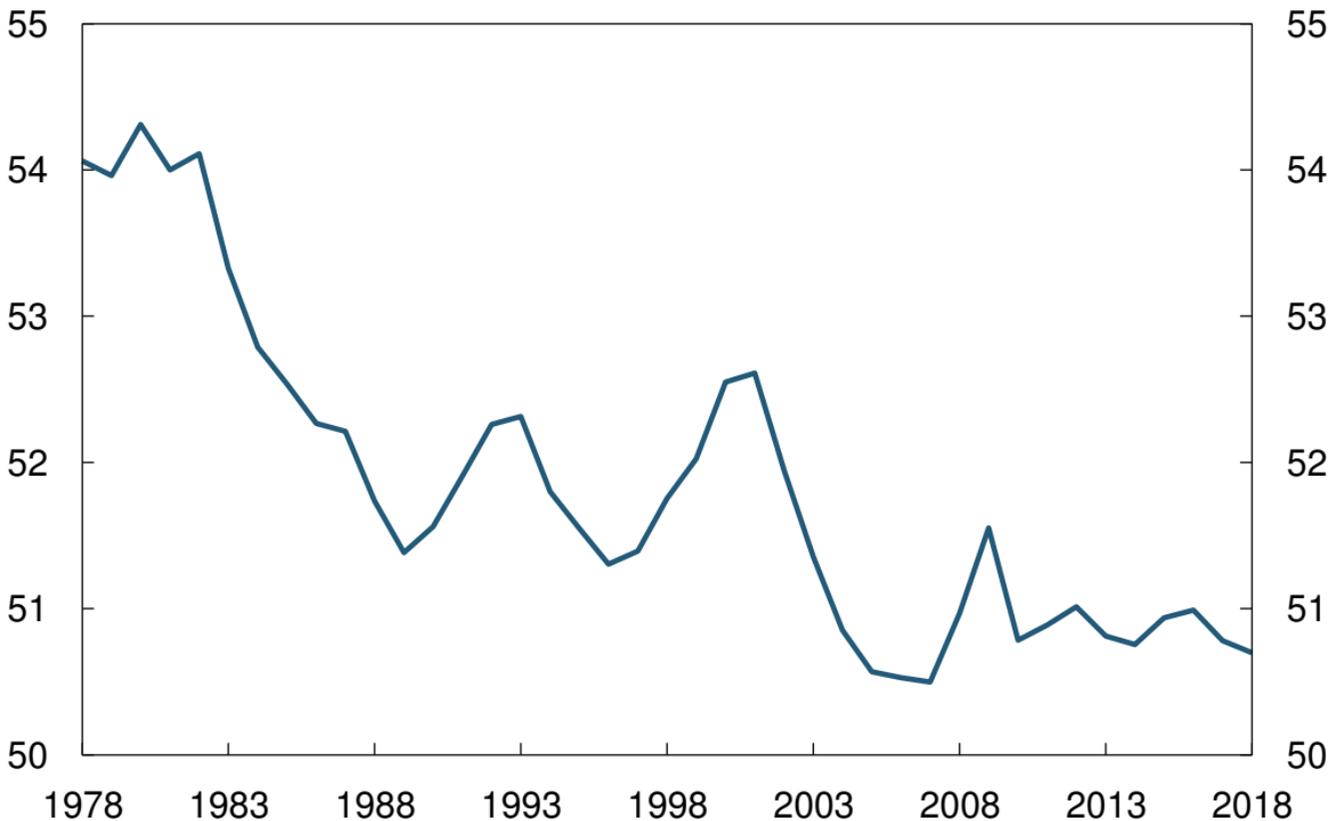


1) Defined as firms in sectors 45 – 82 (excluding 64 – 68) in NACE Rev. 2.

Source: OECD

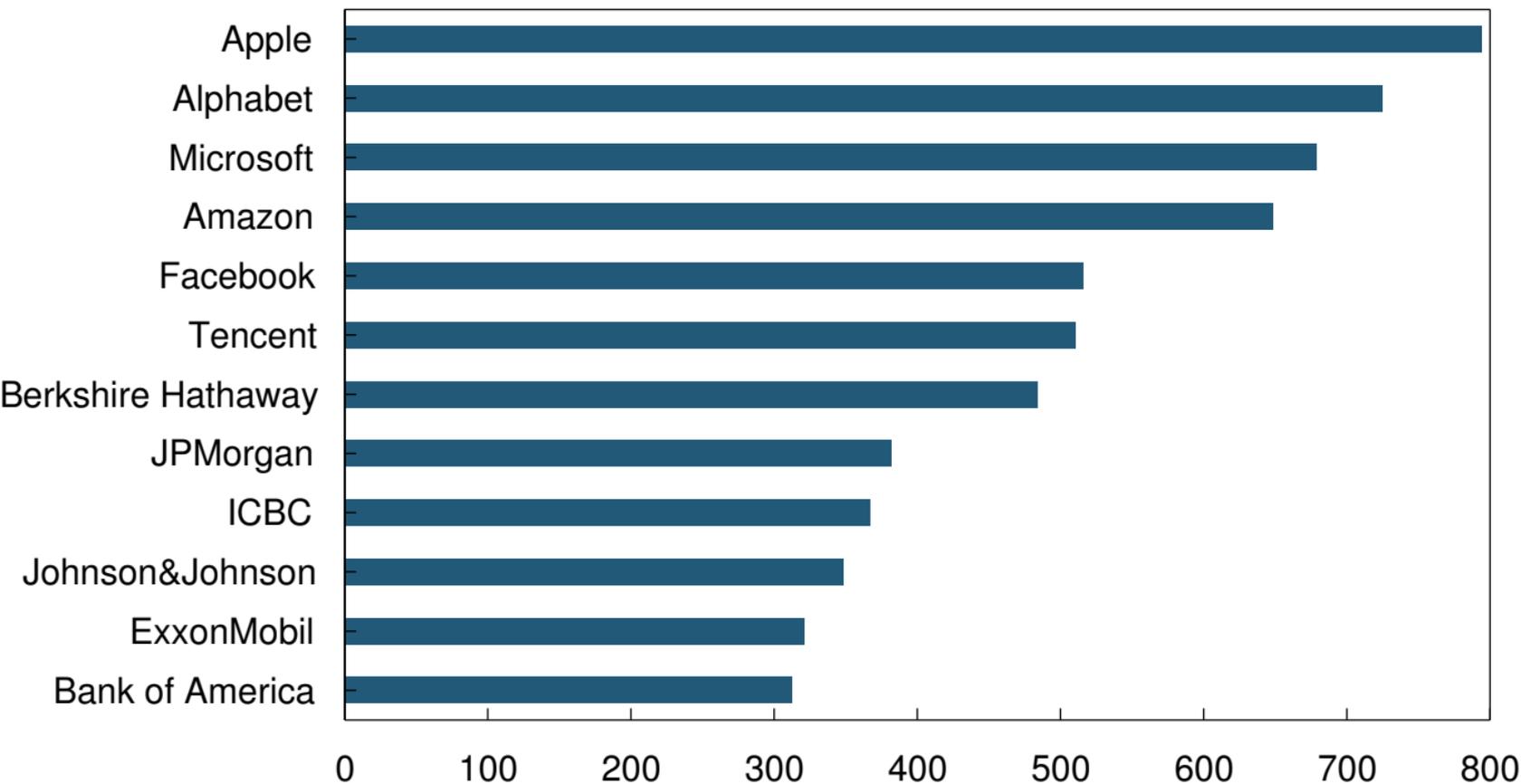
Chart 6 Labour share. Labour costs as a share of GDP.

Selected advanced economies.¹⁾ Percent



¹⁾ Belgium, Denmark, Finland, France, Germany (data for West Germany before 1992), Ireland, Italy, Japan, Netherlands, Portugal, Spain, South Korea, Sweden, Switzerland, the UK and the US. GDP-weighted average. Sources: European Commission, Thomson Reuters and Norges Bank

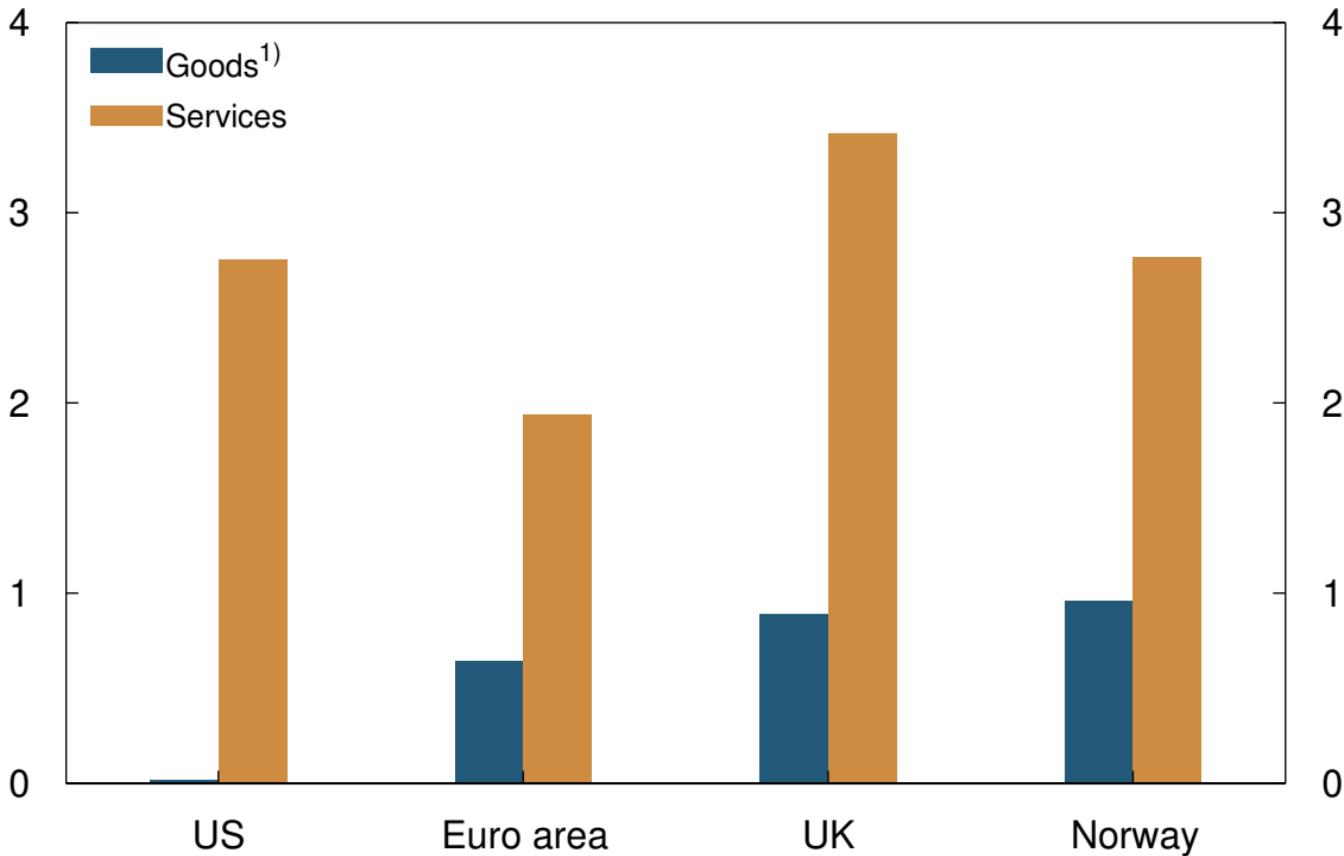
Chart 7 The world's largest listed companies. Market capitalisation in billions of USD¹⁾



1) Market capitalisation at 9 February 2018.

Source: Bloomberg

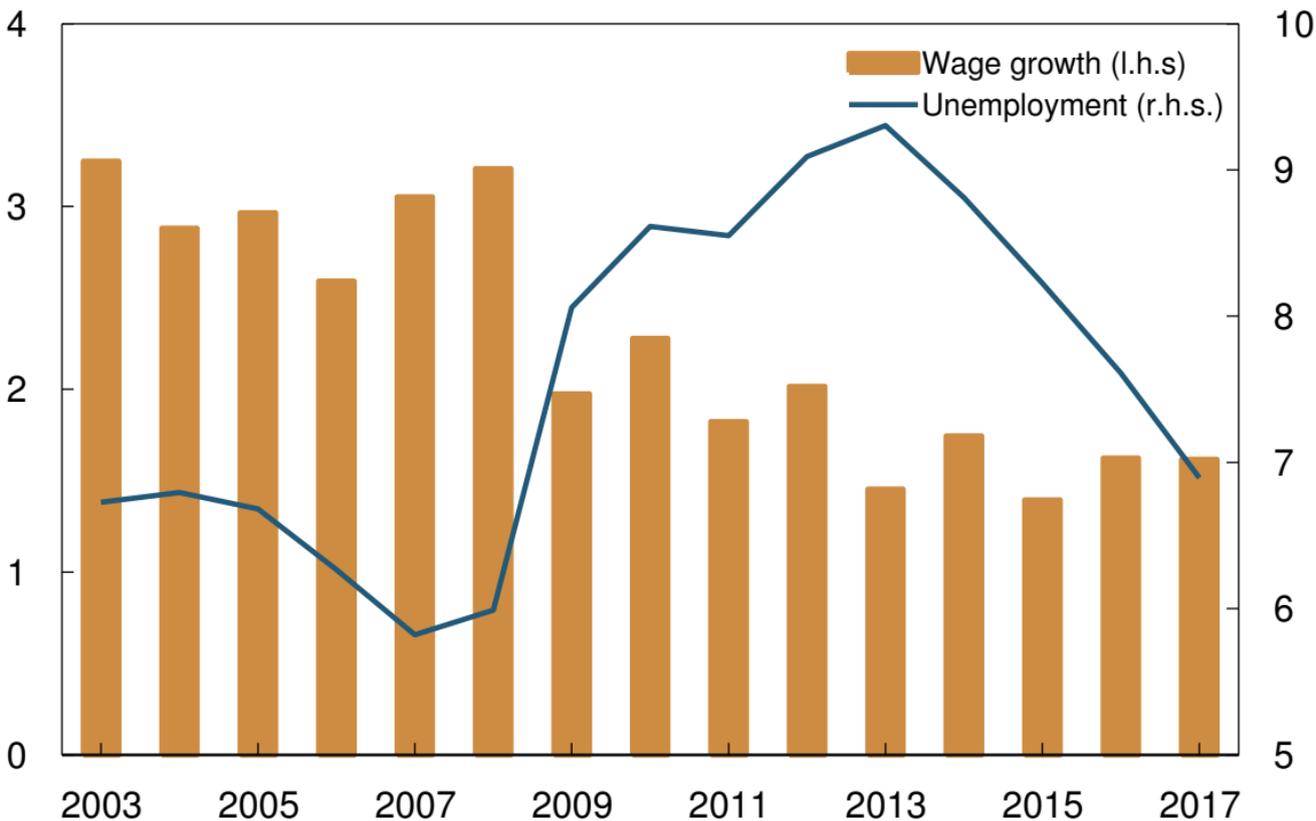
Chart 8 Goods and services inflation.
Average annual change 2000 – 2017. Percent



1) Goods excluding food and energy for all countries except the UK.

Sources: Statistics Norway, Thomson Reuters and Norges Bank

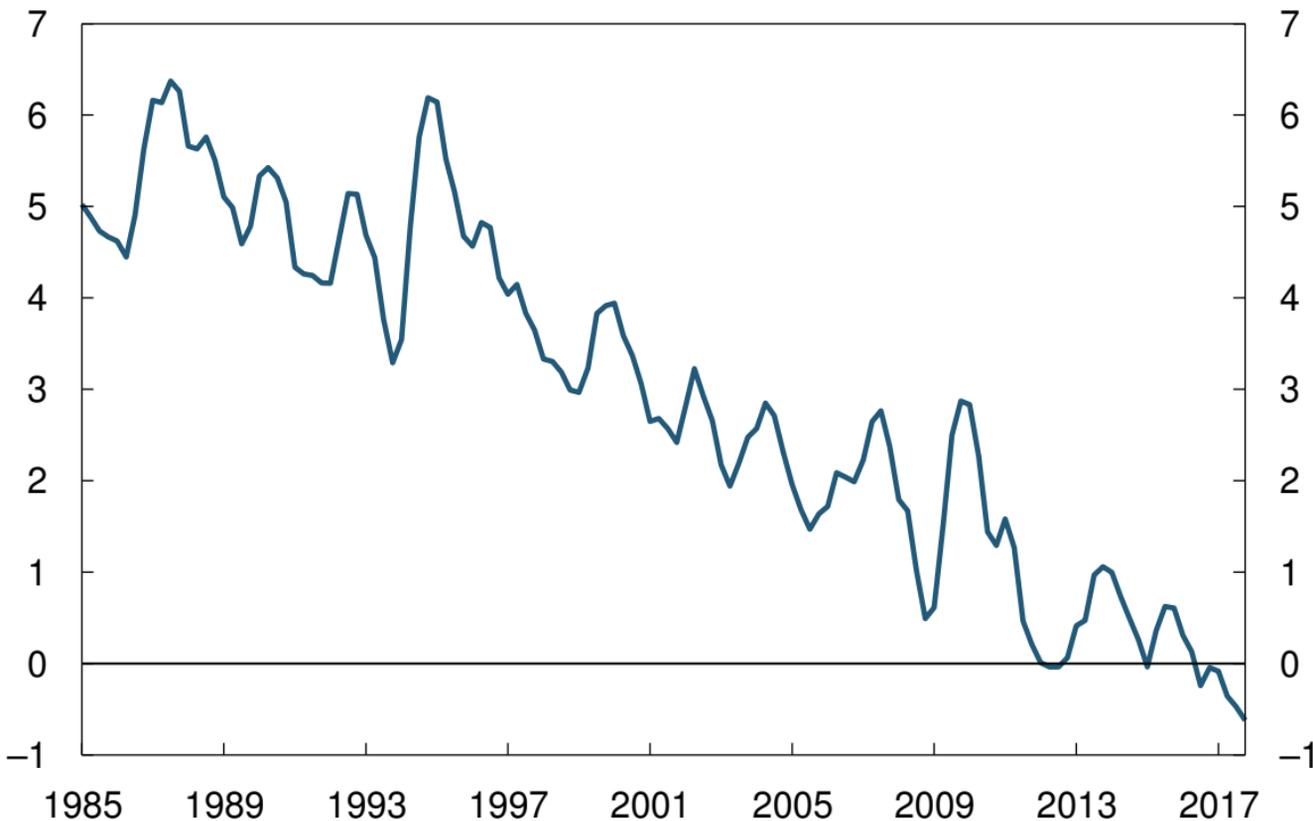
Chart 9 Unemployment and wage growth.
Selected advanced economies.¹⁾ Percent



¹⁾ Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Netherlands, Portugal, Spain, South Korea, Sweden, Switzerland, the UK and the US. Unweighted average.

Sources: Thomson Reuters and Norges Bank

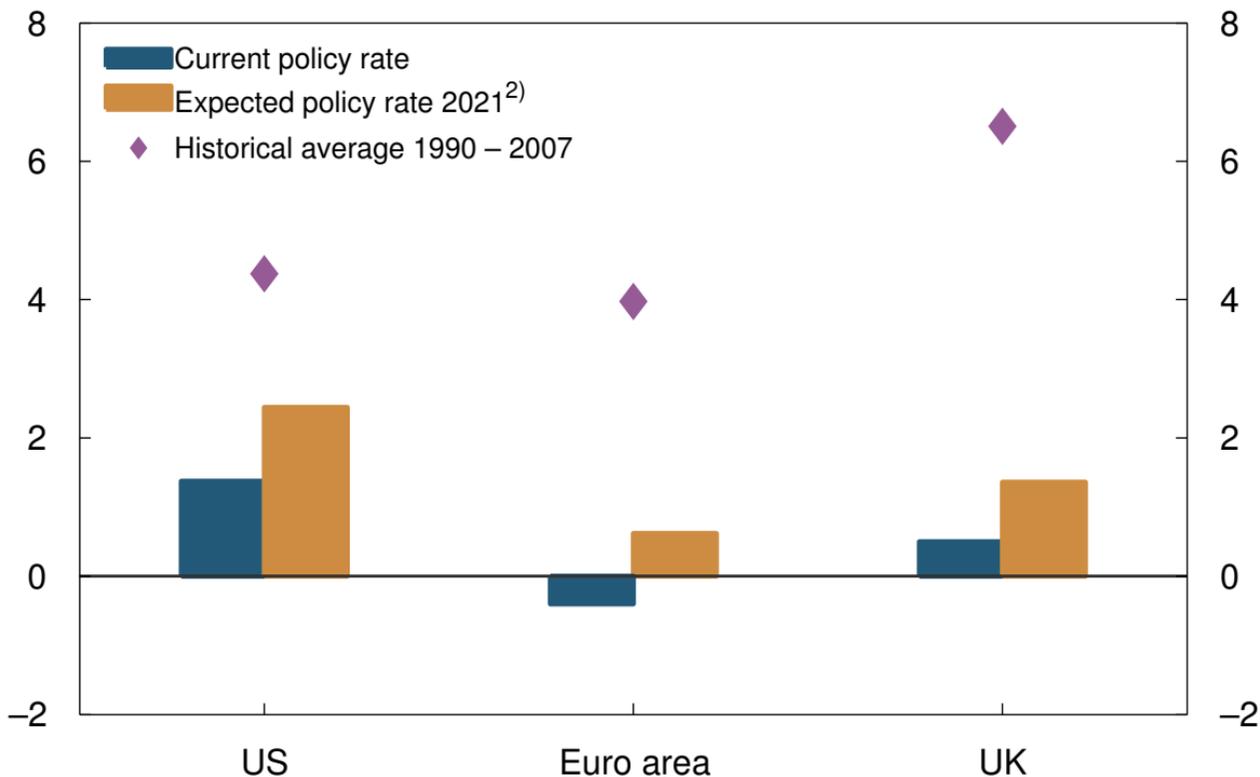
Chart 10 Global real interest rates. Yield on 10-year government bonds adjusted for inflation. 14 OECD countries.¹⁾ Percent



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

Sources: Thomson Reuters and Norges Bank

Chart 11 Policy rates.¹⁾ Percent

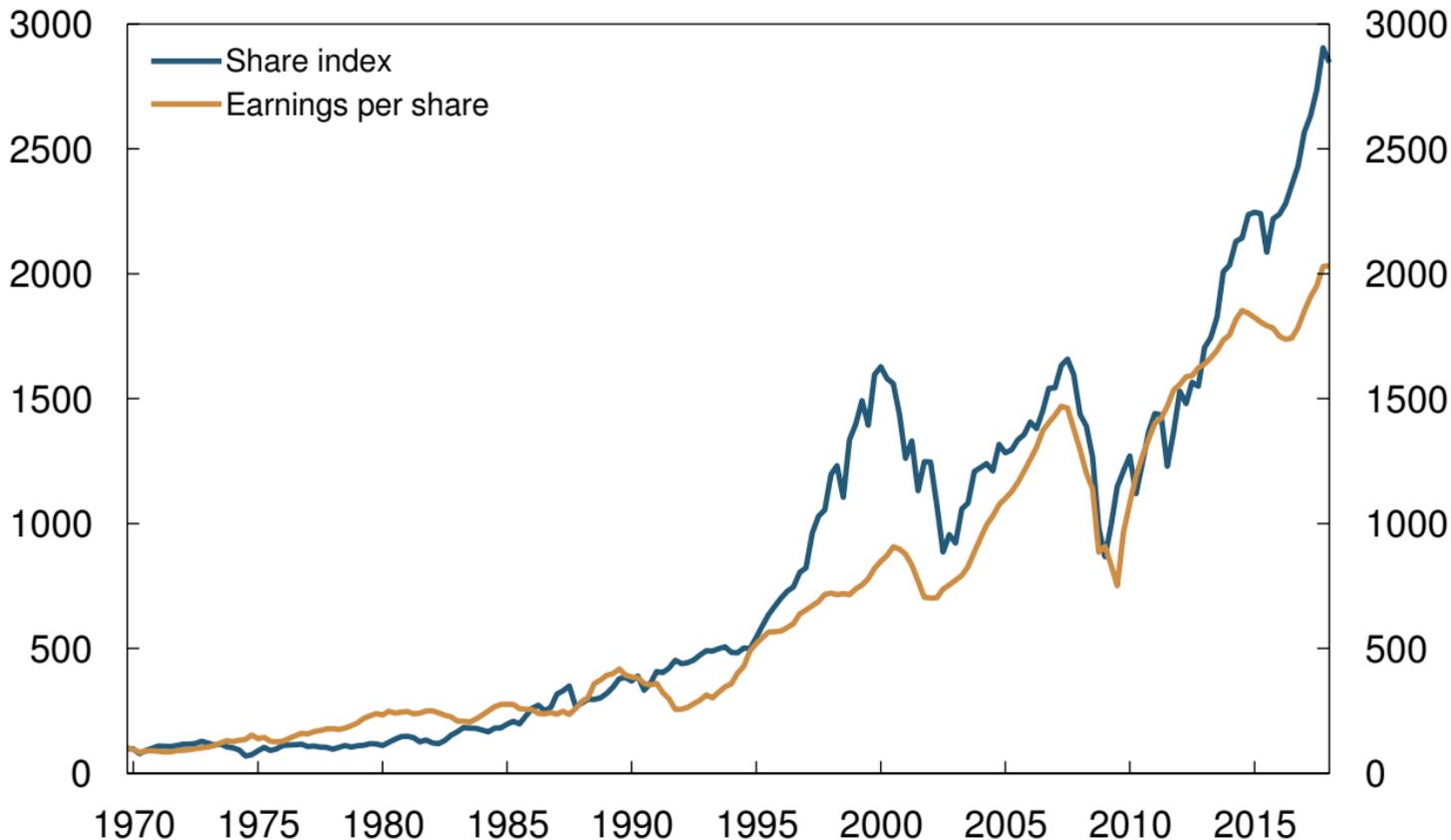


1) In the chart, the policy rate for the US refers to the mid-point of the target range for the federal funds rate. For the euro area, historical policy rates are calculated using the interest rate on the ECB's main refinancing operations from 1999 to 2007. Before 1999, the Bundesbank's discount rate is used. The rate on the ECB's deposit facility is used for the current and expected policy rate.

2) June 2021.

Sources: Bloomberg and Norges Bank

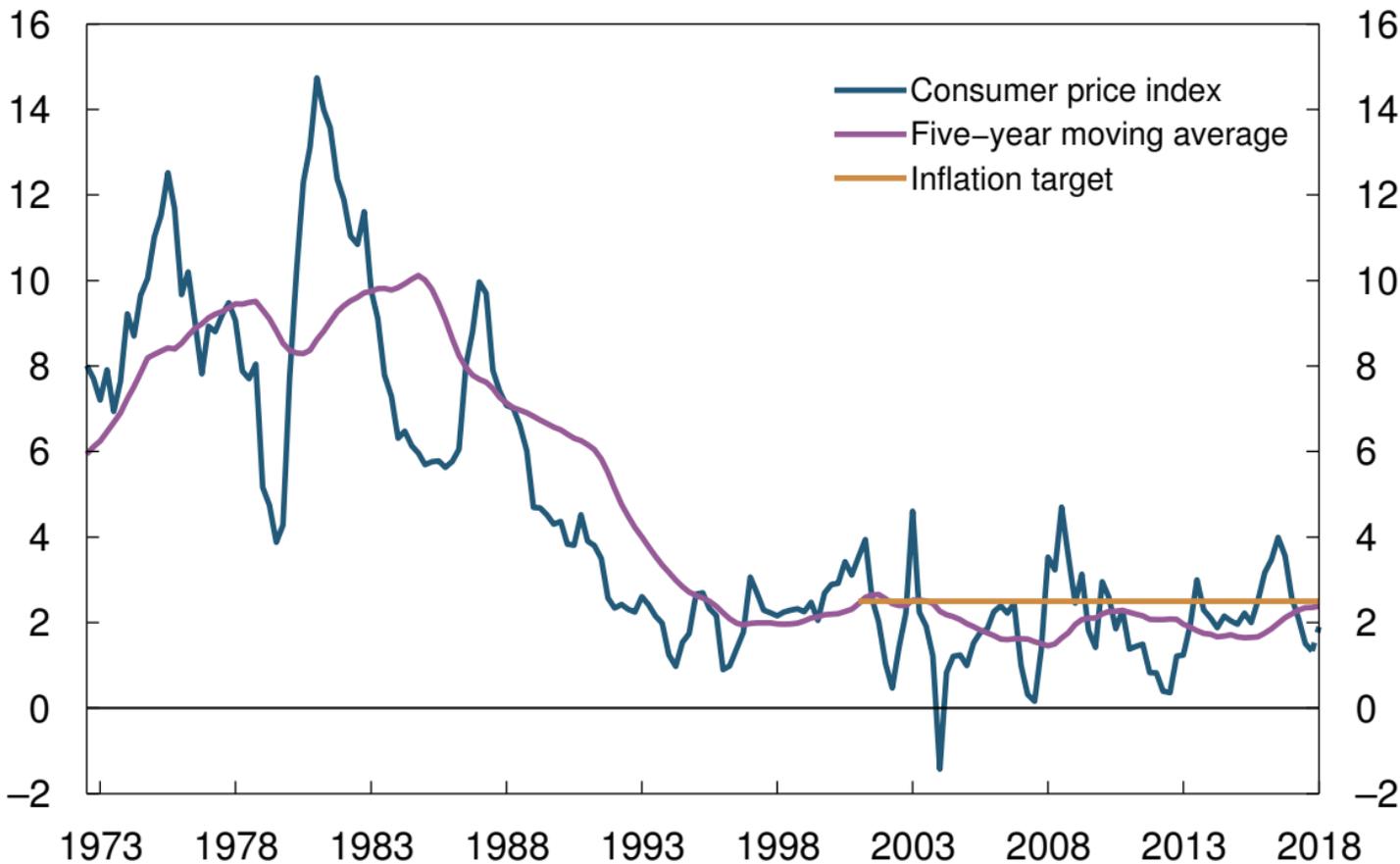
Chart 12 Equity prices and earnings per share.¹⁾ Standard & Poor's 500. Index. 1970 = 100



1) The latest observation at the end of each quarter. For 2018 Q1, data from 9 February 2018 are used.

Source: Bloomberg and Norges Bank

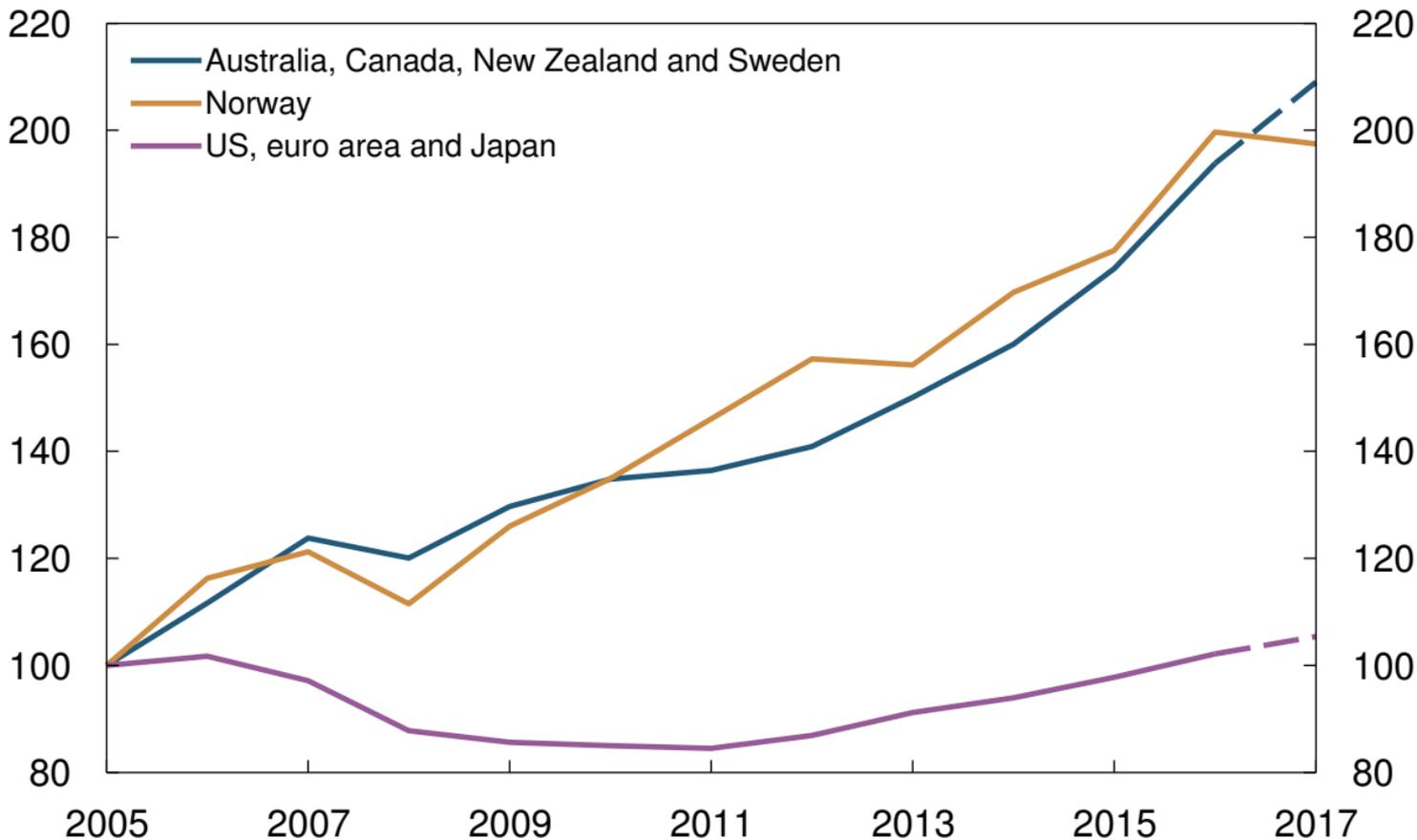
Chart 13 Inflation in Norway. Four-quarter change. Percent¹⁾



1) Projection for 2018 Q1.

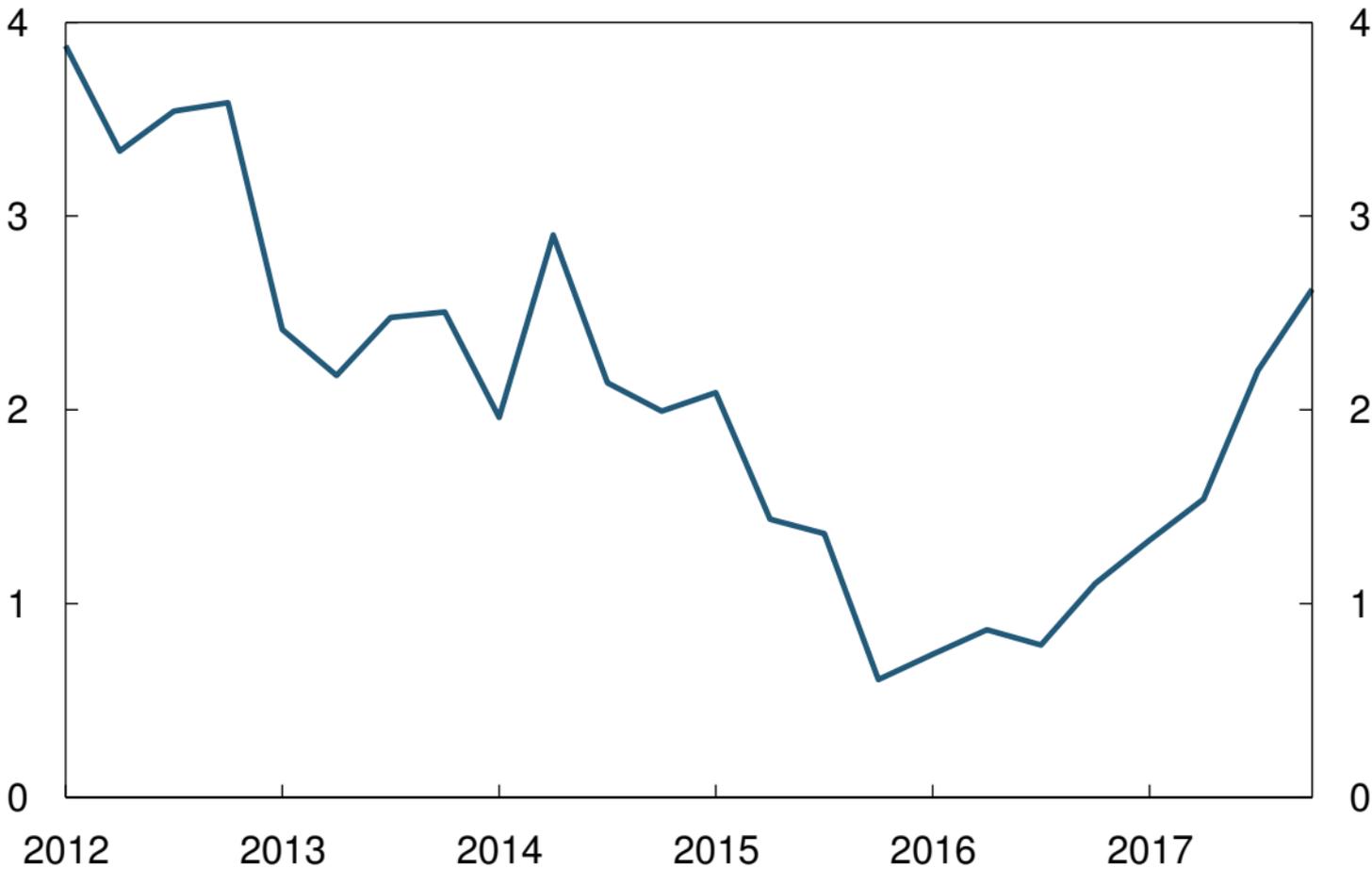
Sources: Statistics Norway and Norges Bank

Chart 14 Nominal house prices.¹⁾ Index. 2005 = 100



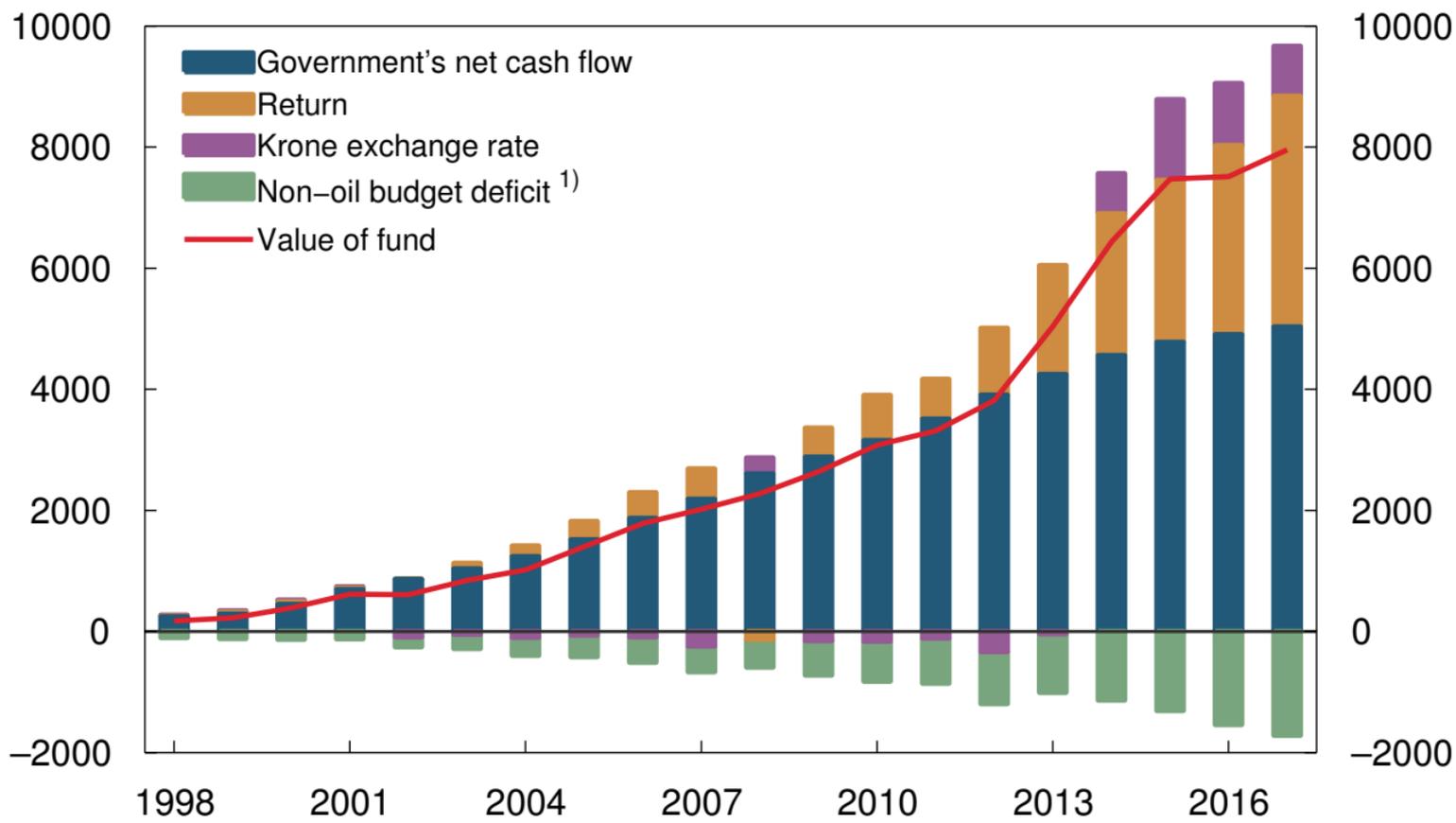
1) Latest available quarterly data for 2017 are used as estimate for 2017 (broken lines). Series is GDP-weighted. Sources: Eiendomsverdi, Finn.no, Real Estate Norway, Thomson Reuters and Norges Bank

Chart 15 Mainland GDP. Four-quarter change. Percent



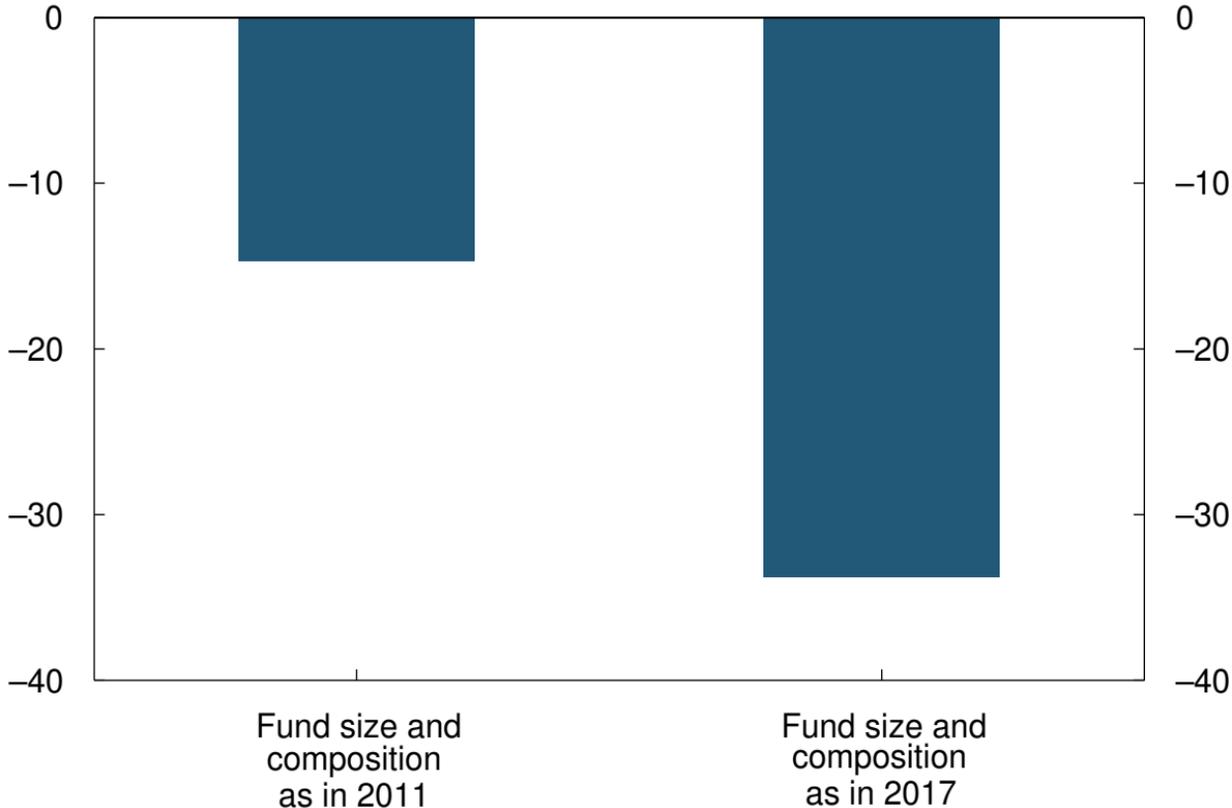
Source: Statistics Norway

Chart 16 Government Pension Fund Global. In billions of NOK. To 2017 Q3



1) Including discrepancies attributable to accounting differences between the central government accounts and Norges Bank's financial statements. The cumulative discrepancy varies between NOK 5 billion and NOK 41 billion.
Sources: Ministry of Finance and Norges Bank

Chart 17 Illustration of declines in the value of the fund.
Decline in value as a percentage of mainland GDP given the same return as during
the euro area debt crisis 2011 – 2012 ¹⁾



1) Bond/equity allocation of 40/60 for 2011 and 30/70 for 2017. The return on the two asset classes is represented by the fund's benchmark indexes, measured in foreign currency, for the period June 2011 to May 2012.
Sources: Statistics Norway and Norges Bank