

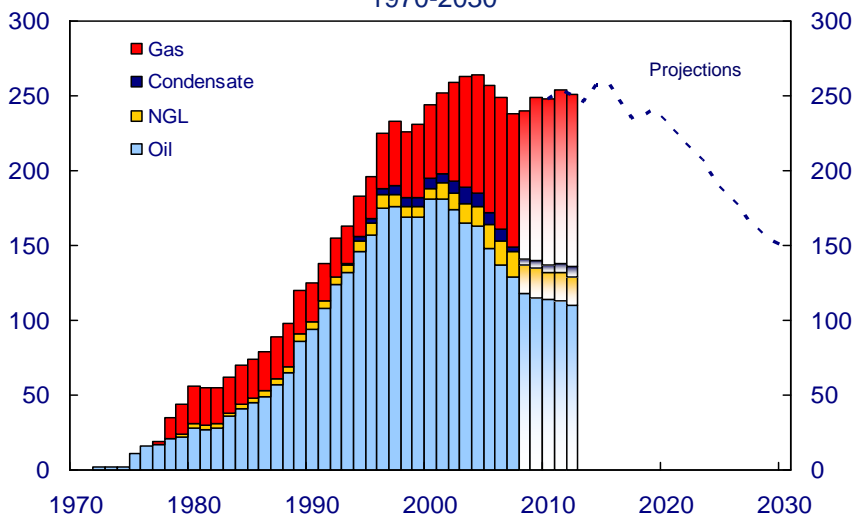
From oil and gas to financial assets – Norway’s Government Pension Fund – Global

Governor Svein Gjedrem

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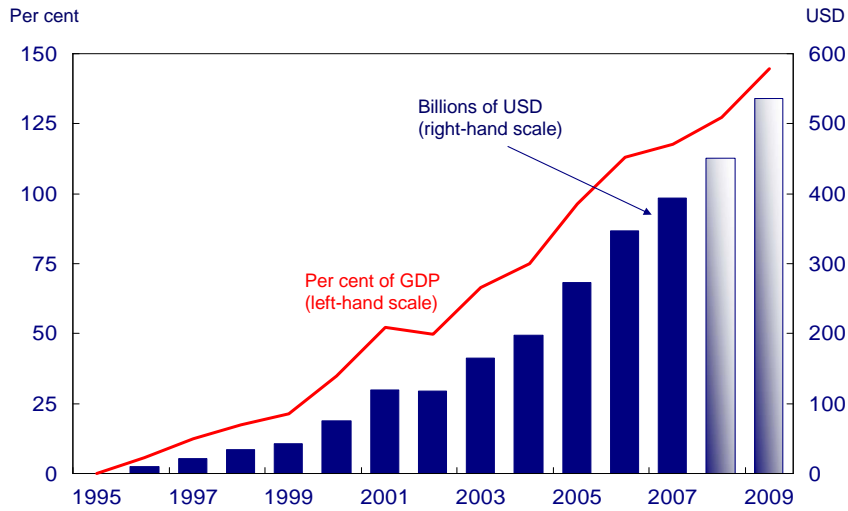
Chart 1: Petroleum production

Mill. scm oil equivalents per year. Actual figures and projections.
1970-2030



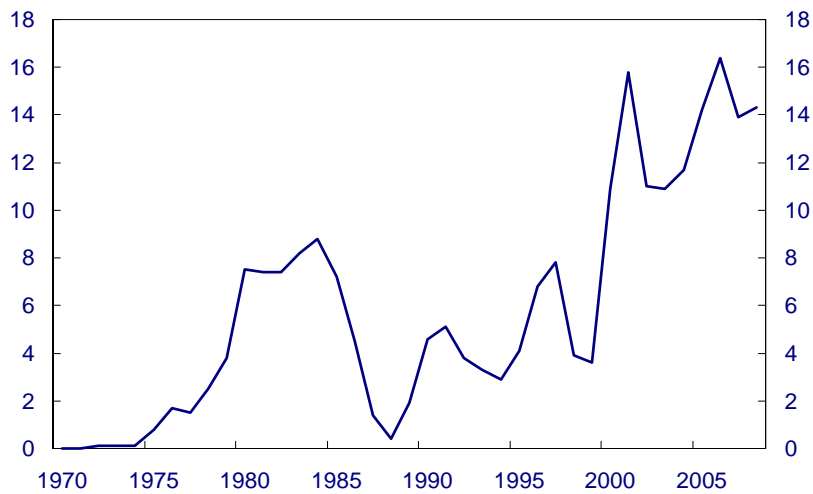
Source: Norwegian Petroleum Directorate

Chart 2: Norway's Government Pension Fund – Global
Per cent of mainland GDP and in billions of USD



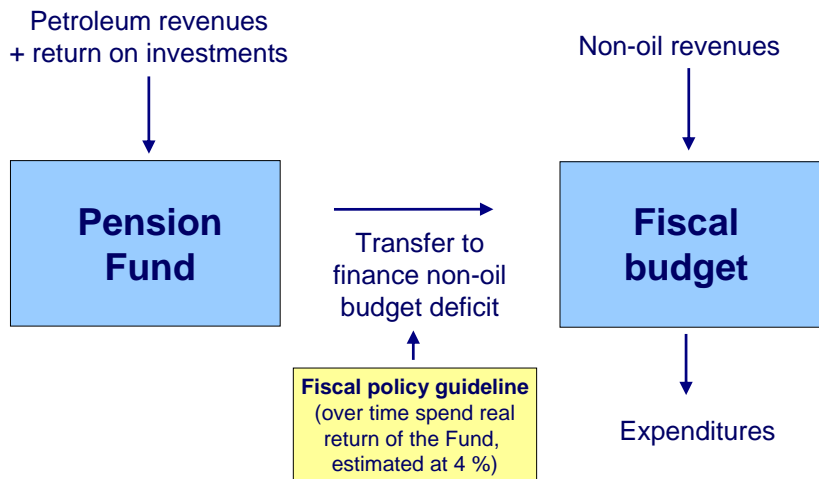
Sources: Ministry of Finance and Norges Bank 3

Chart 3: Government petroleum revenues
Per cent of GDP. 1970-2008



Source: Ministry of Finance 4

Chart 4: The Fund mechanism – integrated with fiscal policy

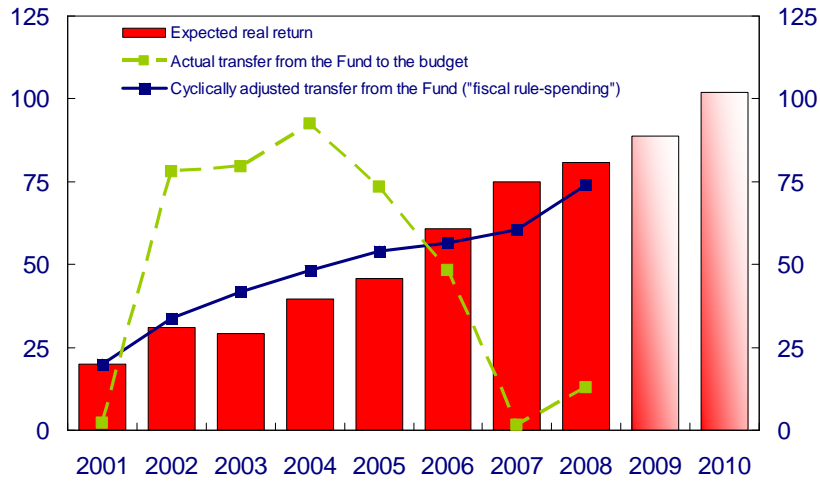


Source: Ministry of Finance

Chart 5: Fiscal policy guideline

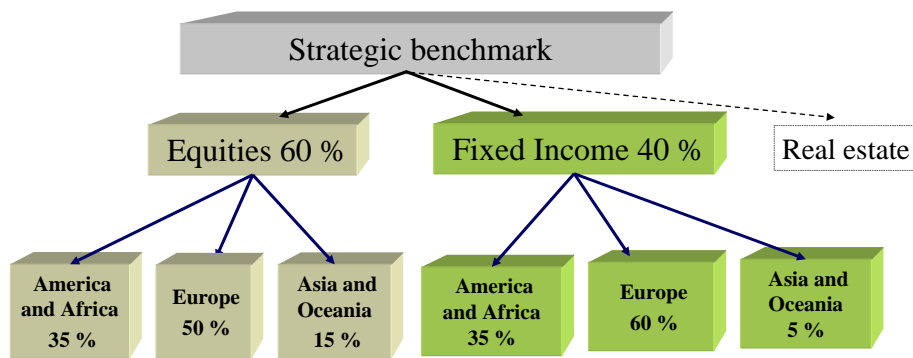
- Petroleum revenue spending should approximately correspond to the expected real return on the capital of the Fund at the start of the year
- The expected real return is estimated at 4 per cent
- In a situation of particularly high capacity utilisation in the economy, fiscal policy restraint should be shown
- In a cyclical downturn, somewhat higher spending of petroleum revenues may be needed

Chart 6: Expected real return on the Fund and spending of oil money
Billions of 2008 NOK



Sources: Ministry of Finance and Norges Bank 7

Chart 7: Benchmark for the Fund

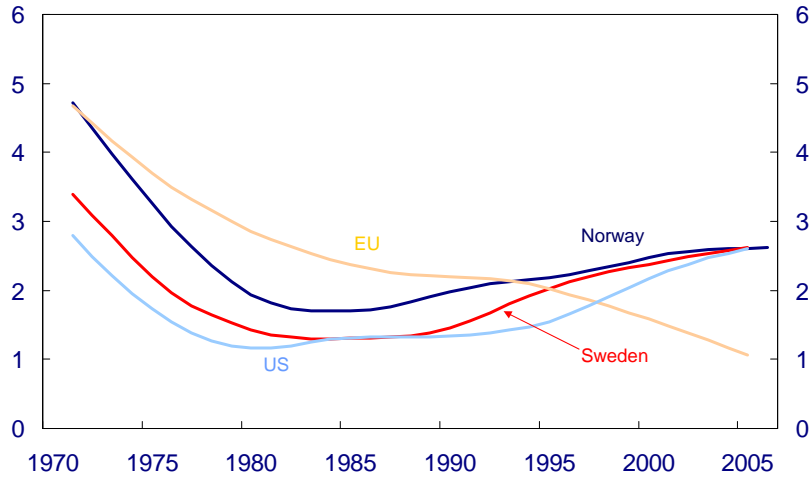


Equity index:
FTSE All-Cap Index
Approx. 7000 equities

Fixed income index:
Lehman Brothers Global Aggregate/Global
Real Government / Agency / Corporate /
Securitized Approx. 10 000 bonds

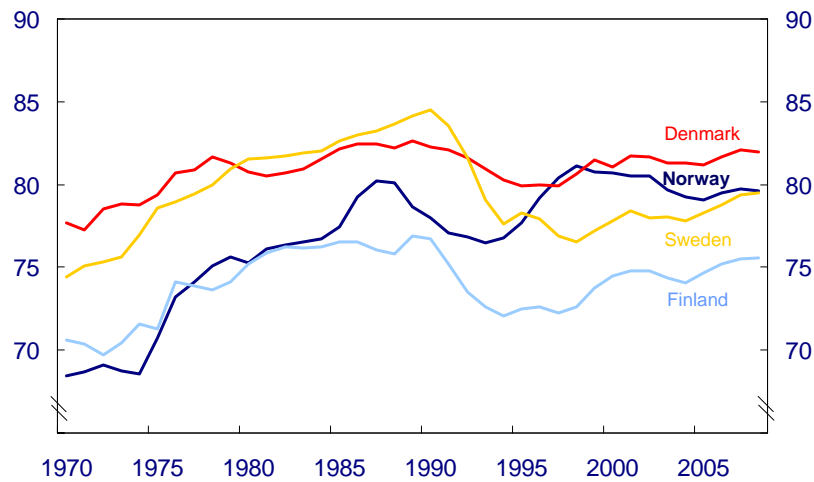
Source: Ministry of Finance 8

Chart 8: Growth in productivity
Mainland GDP per person-hour. Trend. Annual growth. Per cent



Sources: Statistics Norway, OECD and Norges Bank

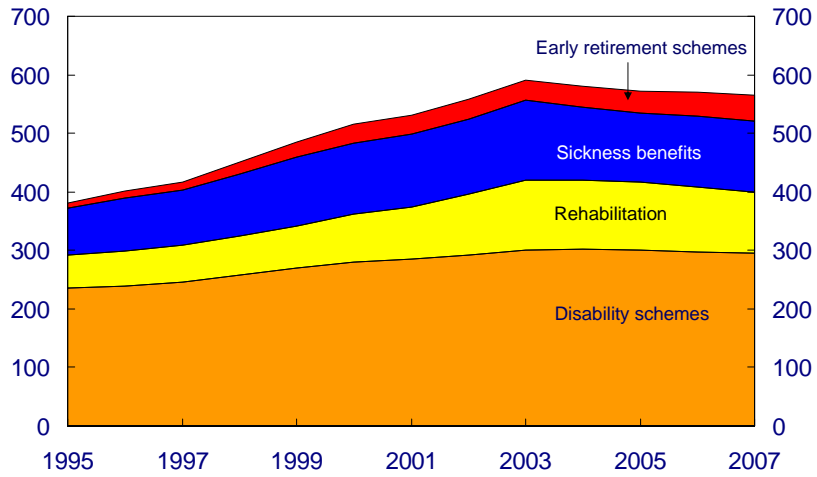
Chart 9: Labour force participation rates
Labour force as share of population aged 15–64. Per cent



Source: OECD

Chart 10: Persons on benefit and early retirement schemes

In thousands. 1995 – 2007



Source: Norwegian Labour and Welfare Organisation (NAV) 11