

# Executive Board Meeting

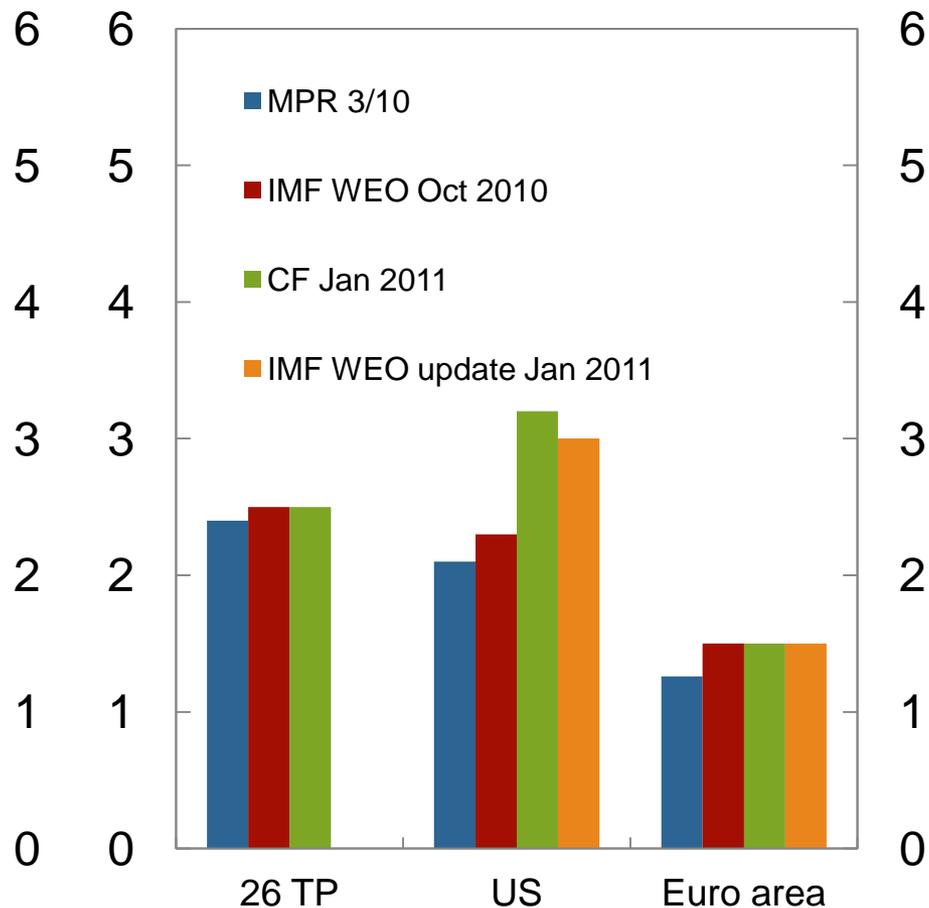
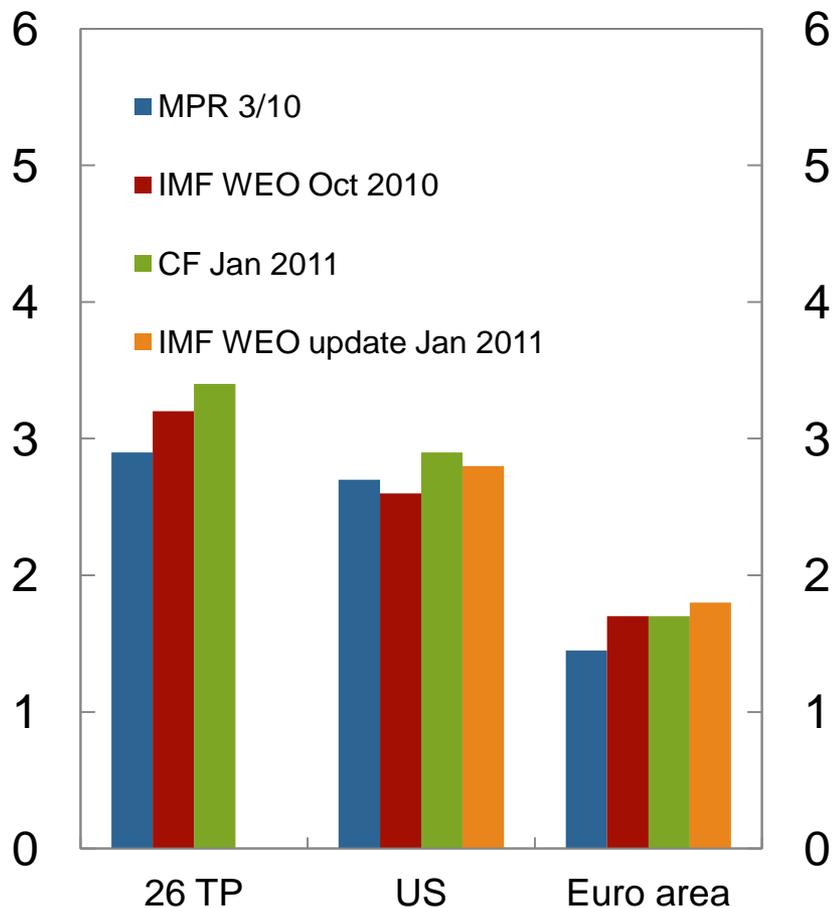
*26 January 2011*

# Growth projections for 2010

Change from previous year. Per cent

# Growth projections for 2011

Change from previous year. Per cent

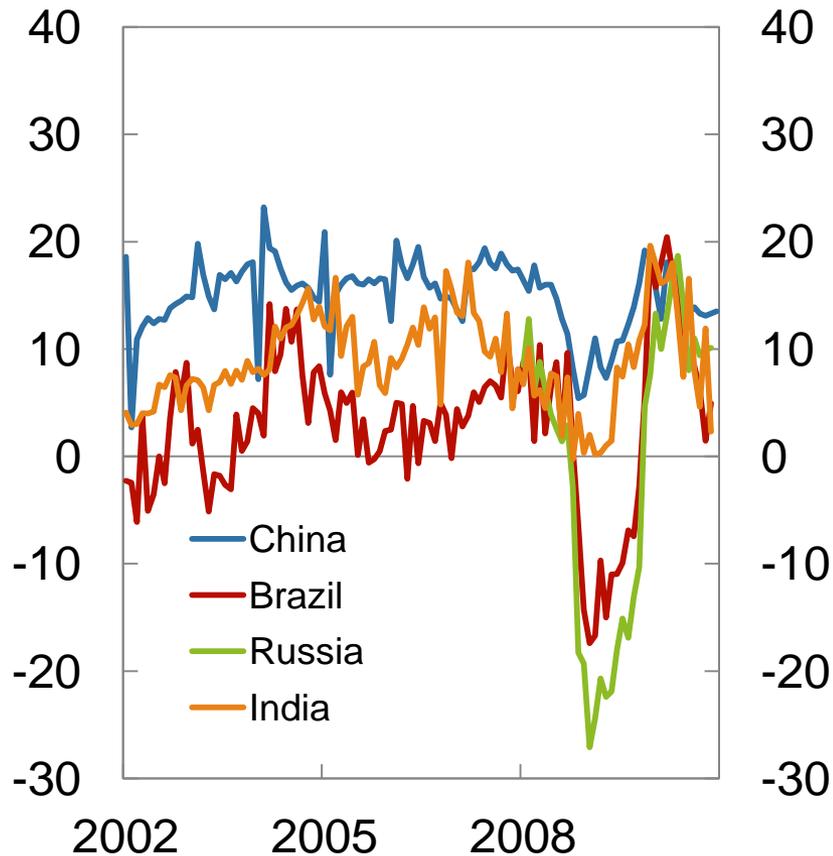


Sources: IMF, OECD and Consensus Economics

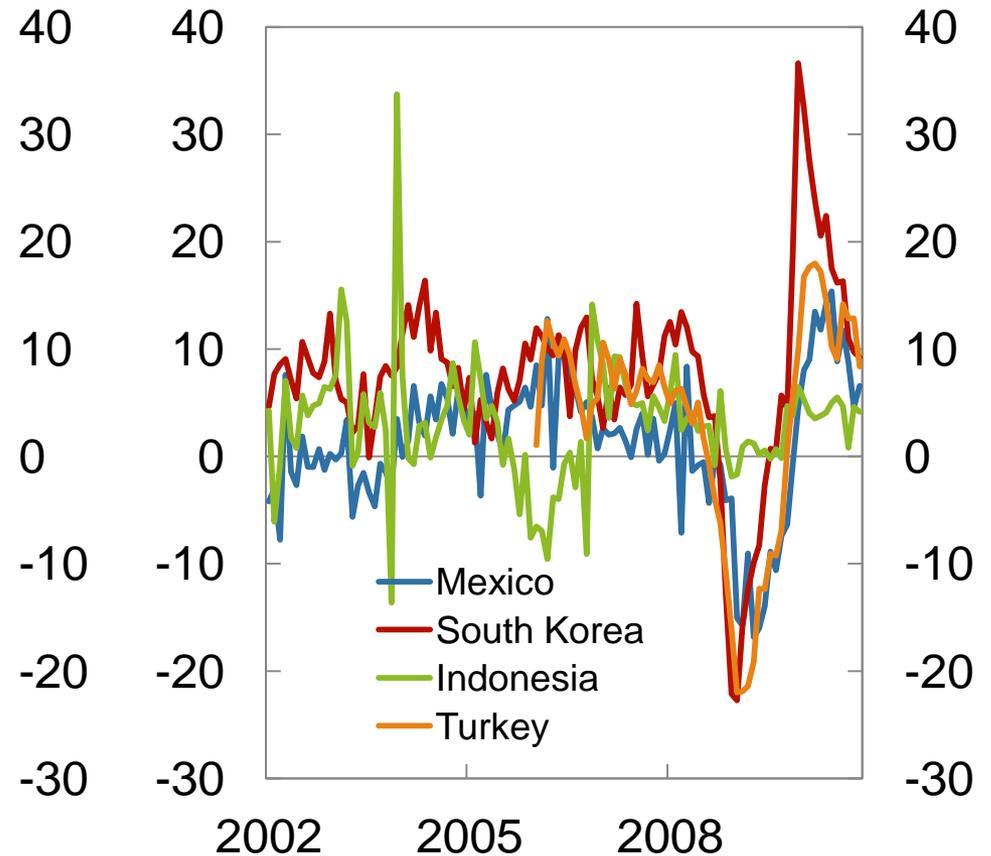
# Manufacturing output in growth economies

12-month change. Per cent. January 2002 – December 2010

BRIC



Mexico, South Korea, Indonesia and Turkey



Source: Thomson Reuters

# Budget deficit, public debt, current account, banks' balance sheets and cost level in 2010

In per cent of country's GDP. 2010

	Budget balance <sup>1)</sup>	Public debt <sup>1)</sup>	Current account	Banks' balance sheets 2009	Cost level <sup>2)</sup>
Greece	-9.6	140.2	-10.6	240	119.2
Portugal	-7.3	82.8	-10.7	310	119.6
Spain	-9.3	64.4	-4.8	350	121.7
Italy	-5.0	118.9	-3.2	250	119.8
Ireland	-32.3 (-13.2) <sup>3)</sup>	97.4	-1.1	820	98.8
Belgium	-4.8	98.6	1.7	340	120.5

1) Public sector as defined in ESA95 (Maastricht): Central, regional and municipal governments are included  
Budget balance is net borrowing in public sector. Government debt equals nominal value of gross debt in public sector at year-end

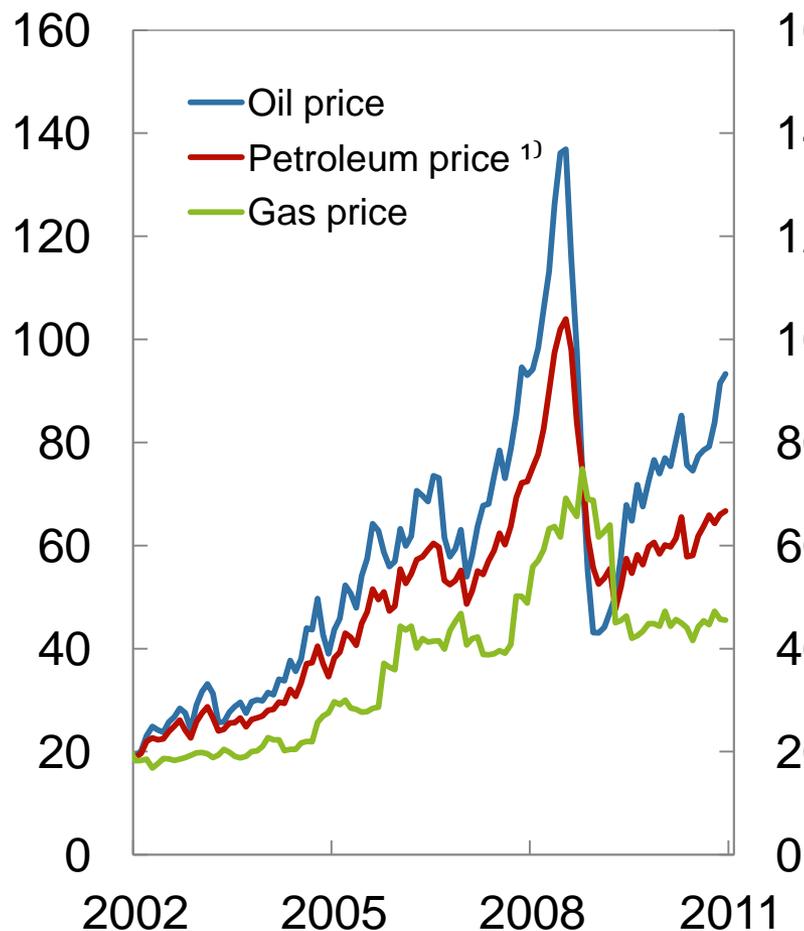
2) Unit labour costs (ULC), relative to Germany in 2010. Germany = 100. Index. Start year = 2000

3) Excluding bank rescue package

Source: European Commission

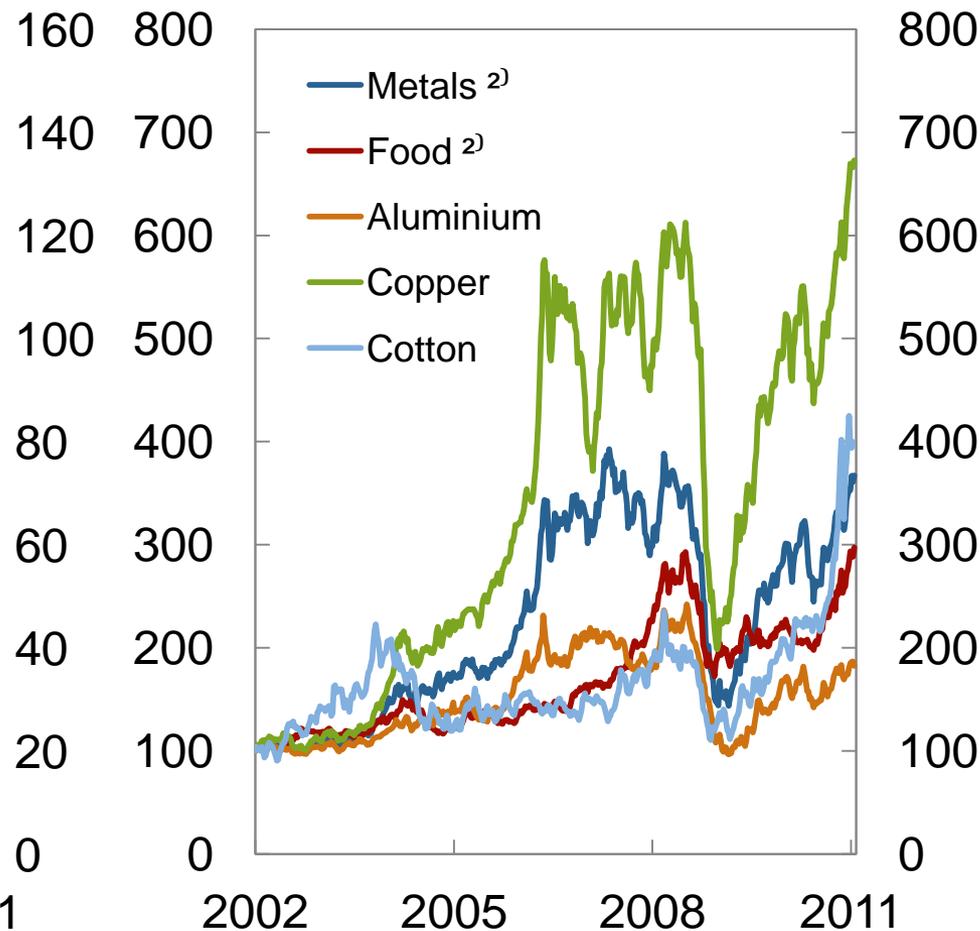
# Oil, gas and petroleum export prices<sup>1)</sup>

USD/barrel. Jan 2002 – Dec 2010



# Commodity prices

Index. Week 1 2002 = 100. USD. Jan 2002 – Jan 2011



1) Weighted average of export prices for oil and gas

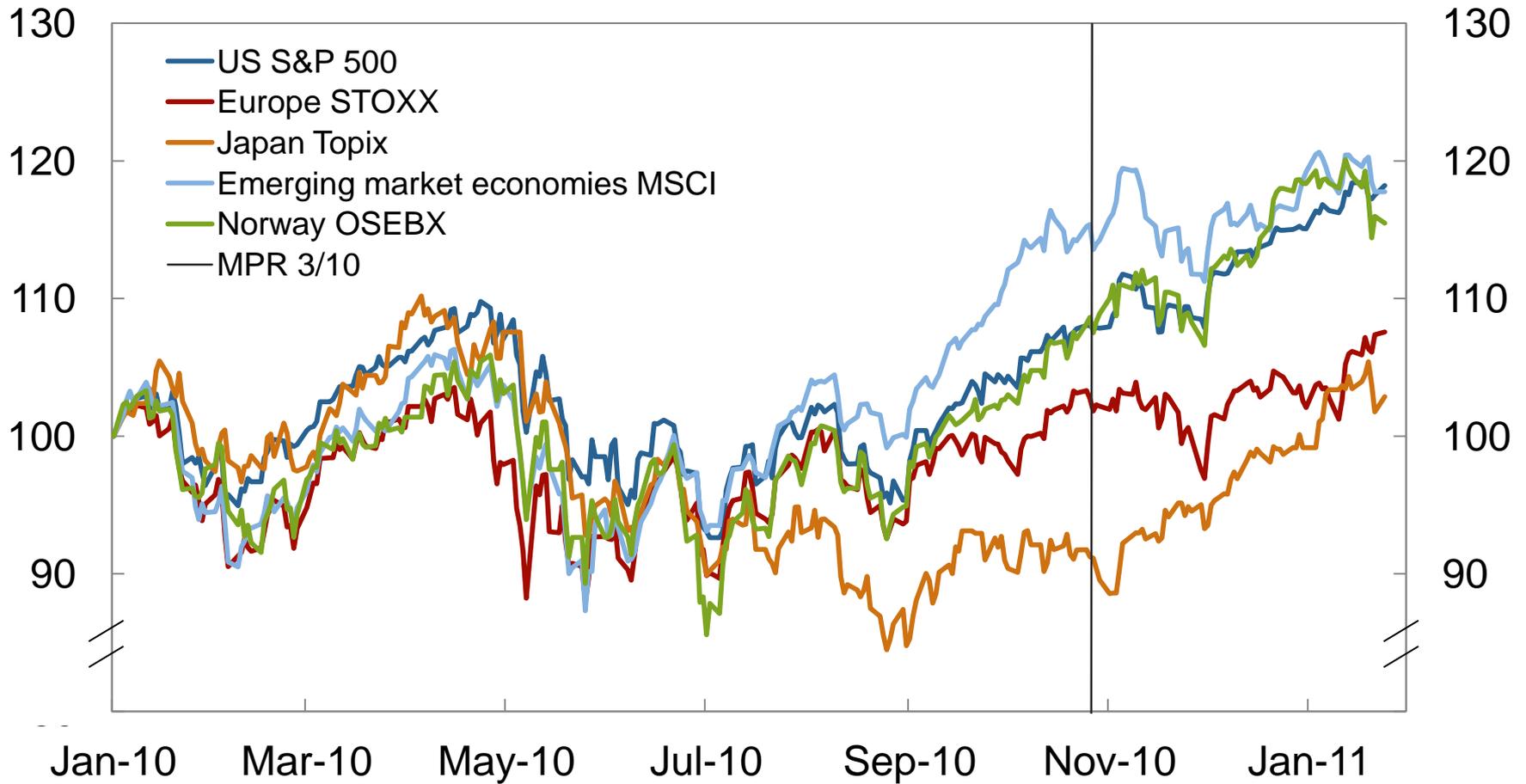
2) The Economist commodity price index

Sources: Thomson Reuters, Statistics Norway and Norges Bank

# Global equity prices

Index. 1 January 2010 = 100.

1 January 2010 – 24 January 2011

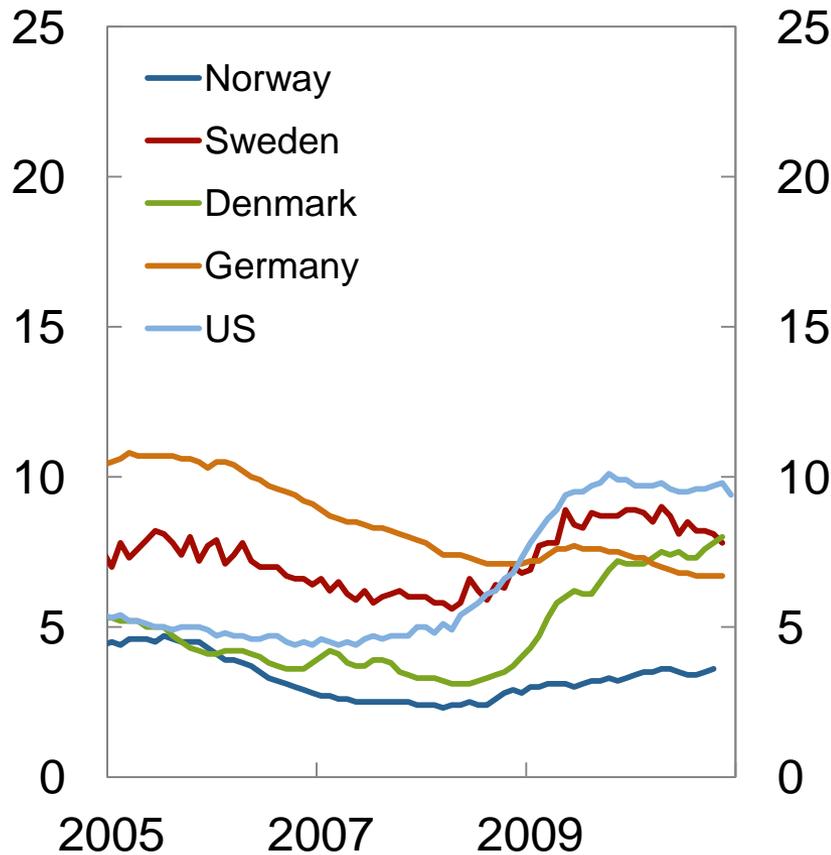


Source: Thomson Reuters

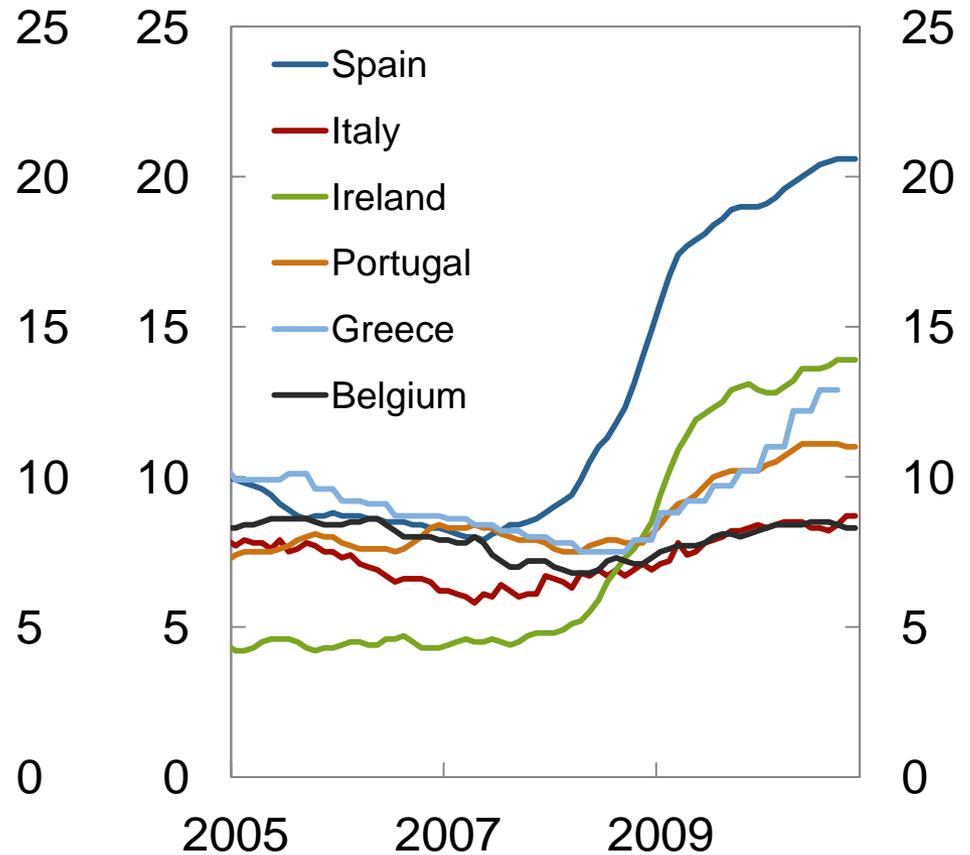
# Unemployment

Per cent. Seasonally adjusted. January 2005 – November 2010

Scandinavia, Germany and the US<sup>1)</sup>



PIIGS countries and Belgium<sup>2)</sup>



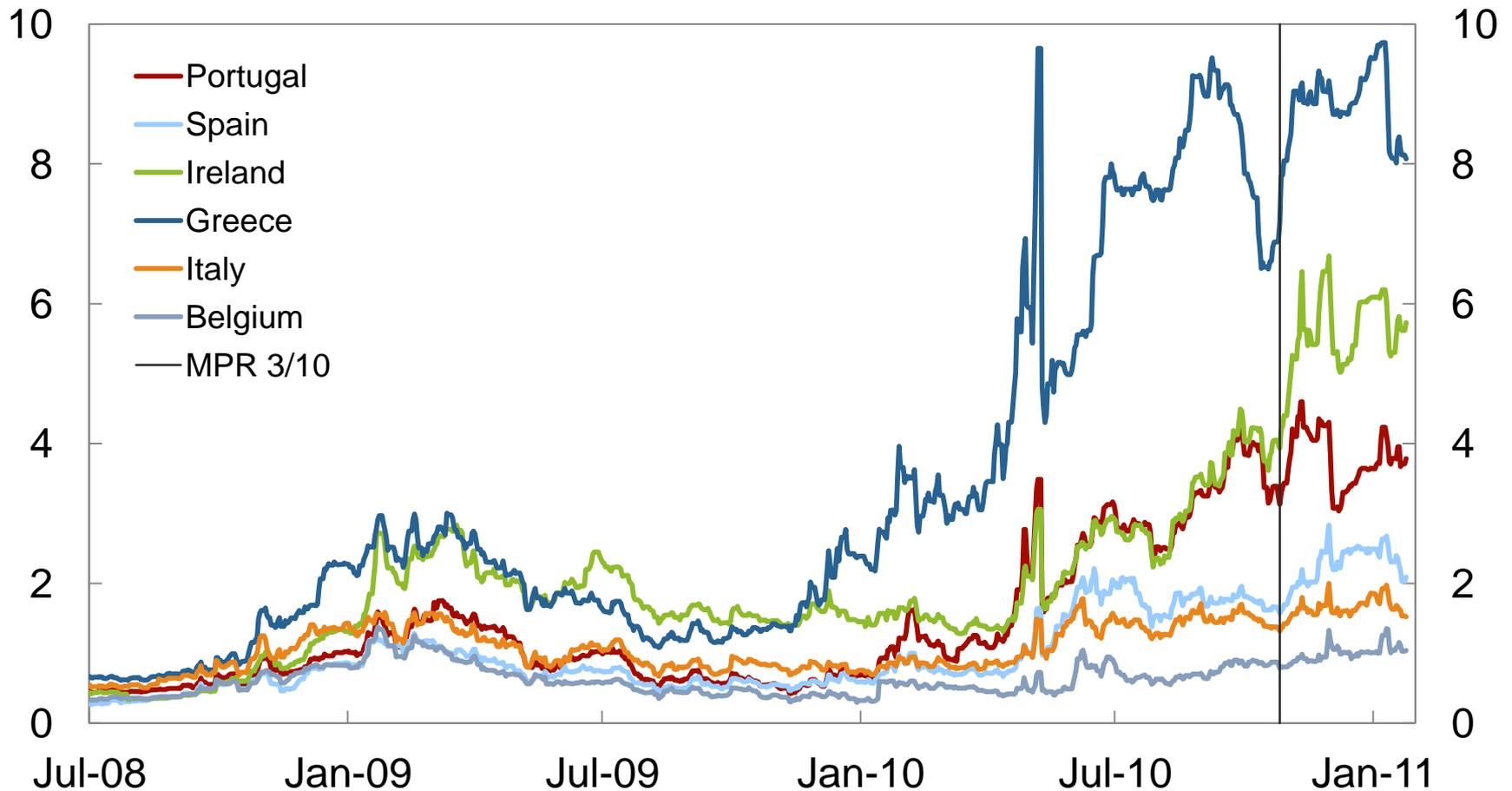
1) Norway to end-October and US to end-December 2010

2) Greece to end-October 2010

Source: Thomson Reuters

# Yield spread over German 10-year government bonds

Percentage points. 1 July 2008 – 24 January 2011

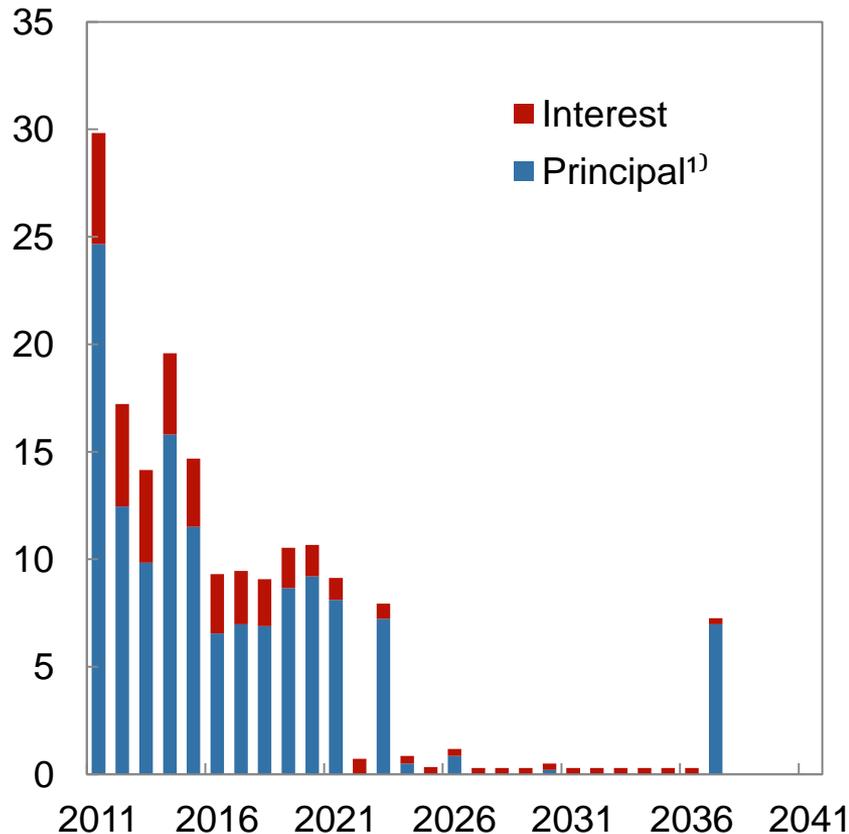


Source: Bloomberg

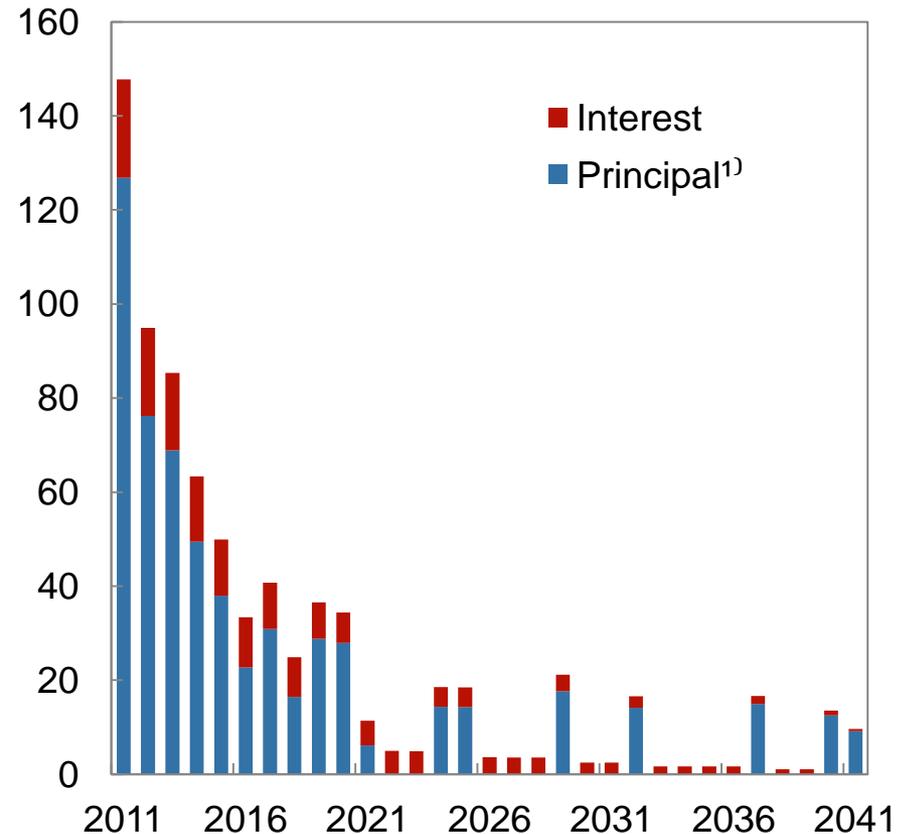
# Government debt maturing each year

Billions of euro

## Portugal



## Spain

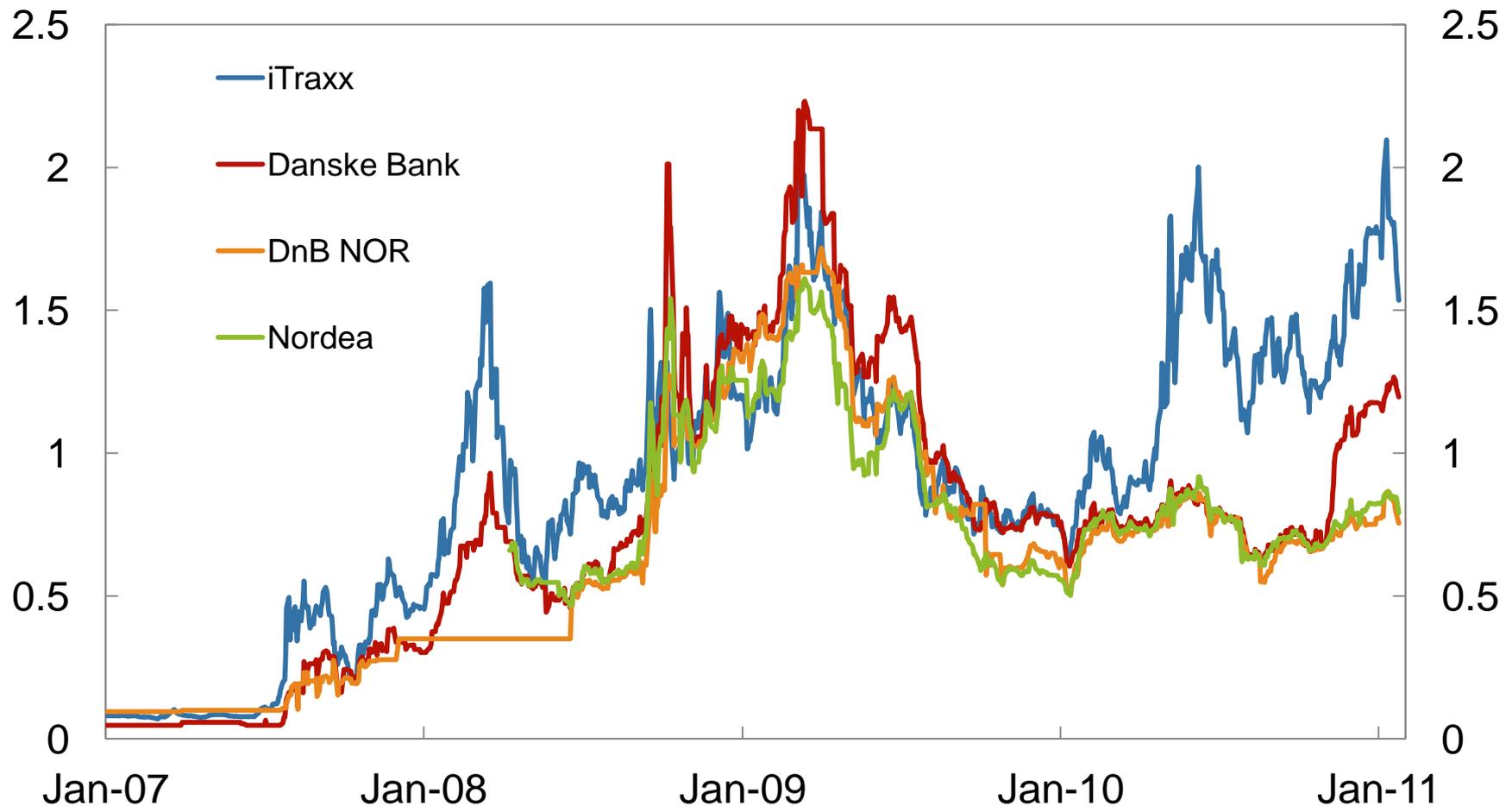


1) Blue columns show debt maturing each year. Outstanding debt is the sum of the blue columns.

Source: Bloomberg

# CDS premiums

iTraxx Senior Financials and Nordic banks. Percentage points  
1 January 2007 – 24 January 2011

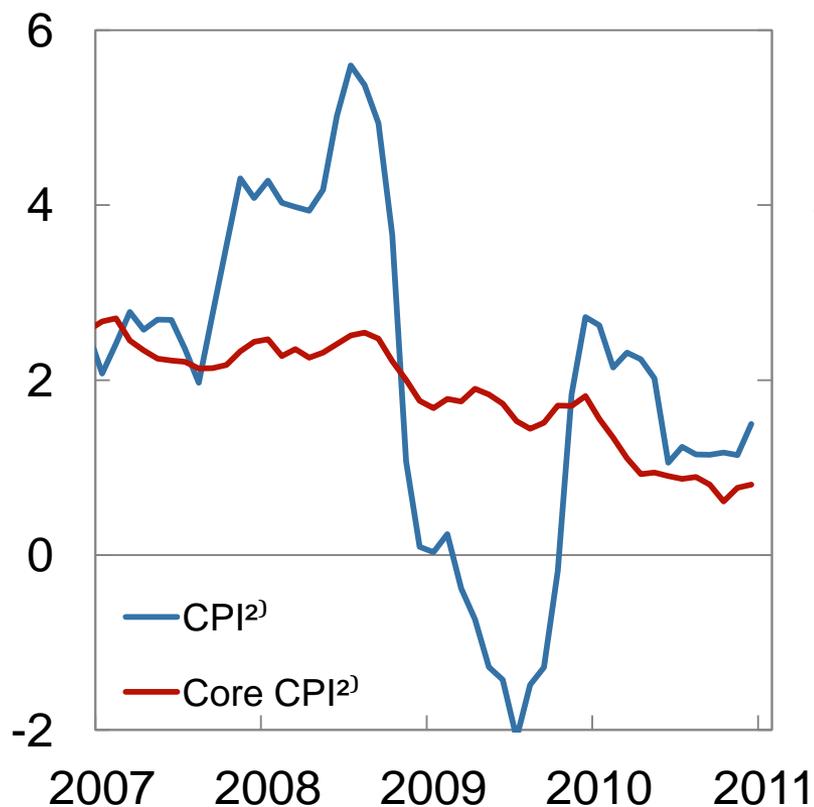


Source: Bloomberg

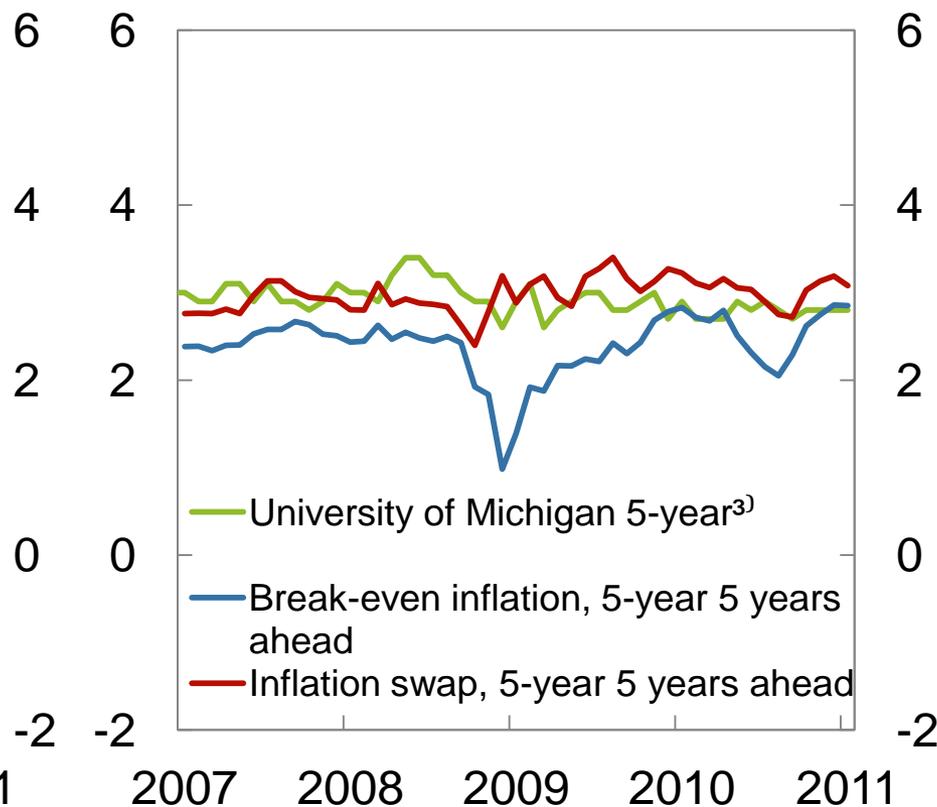
# Inflation and inflation expectations in the US

Per cent. January 2007 - December 2010/ January 2011<sup>1)</sup>

## Inflation



## Expected inflation



1) Actual inflation to December and expected inflation to January.

2) 12-month change

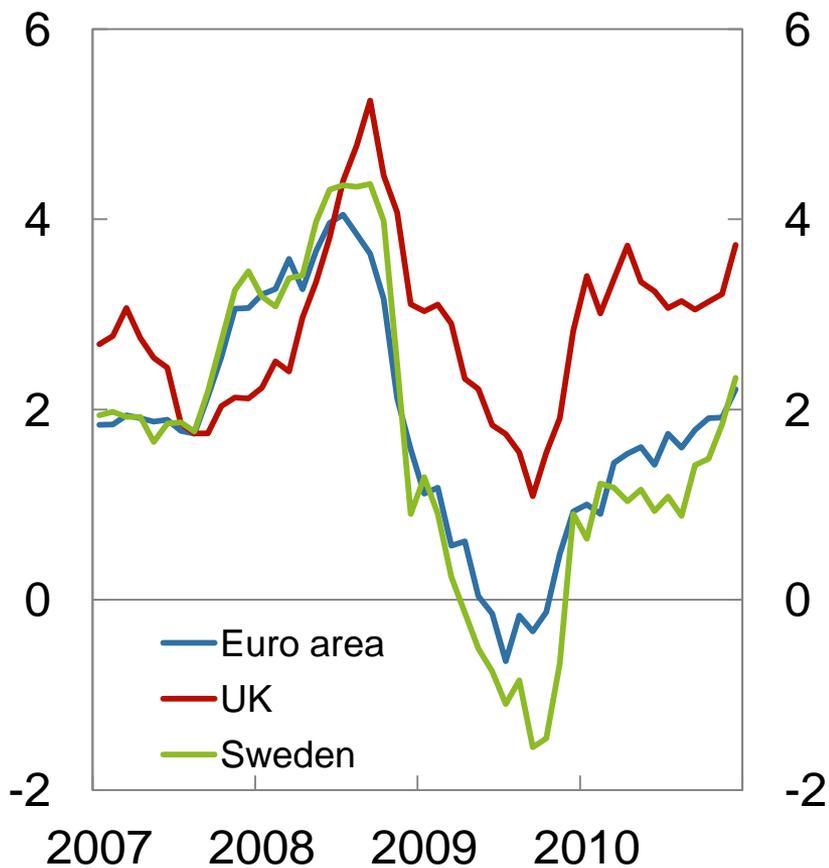
3) Inflation expectations survey

Source: Thomson Reuters

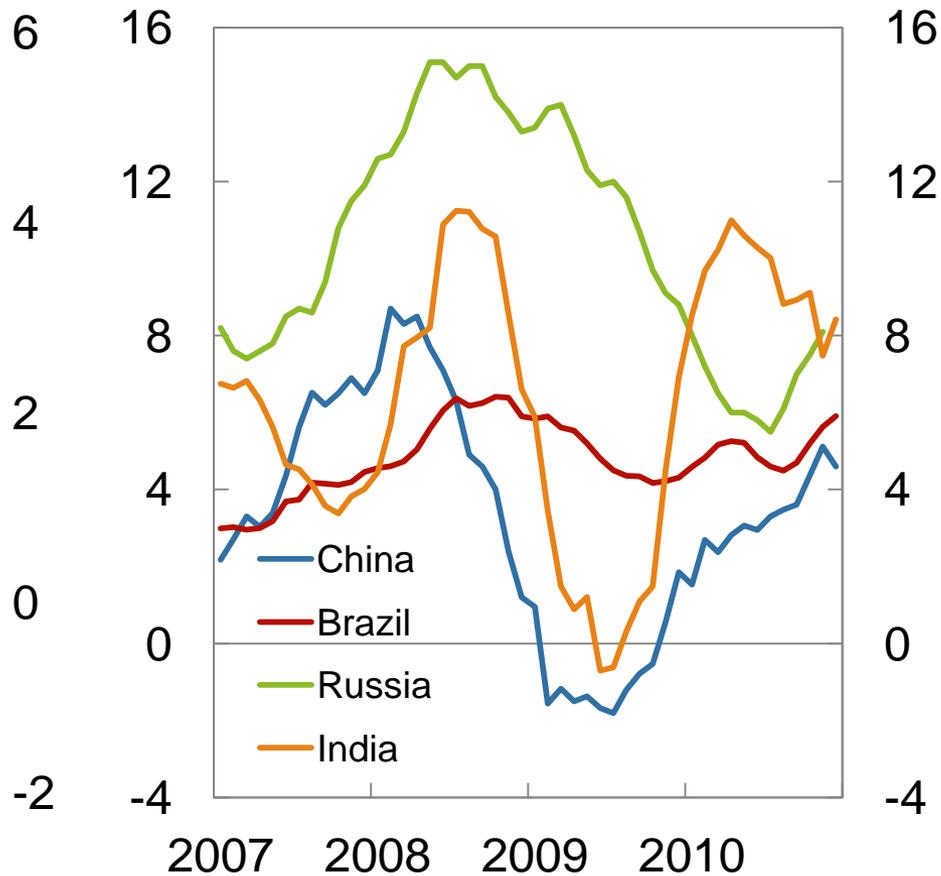
# Inflation

12-month change. Per cent. January 2007 - December 2010

## Euro area, UK and Sweden



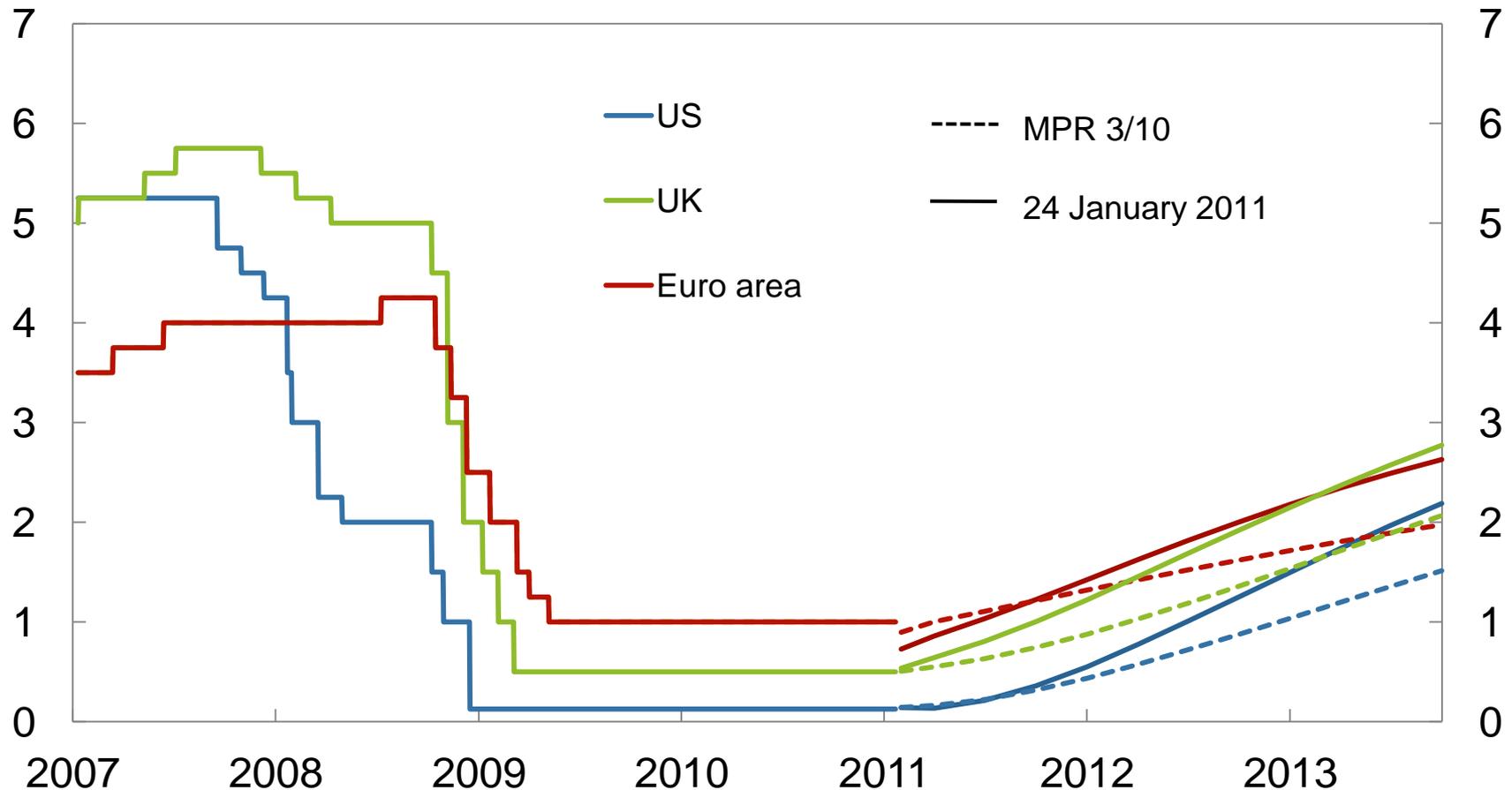
## BRIC



Source: Thomson Reuters

# Actual and expected key rates<sup>1)</sup>

Per cent. 1 January 2007 – 31 December 2013<sup>2)</sup>

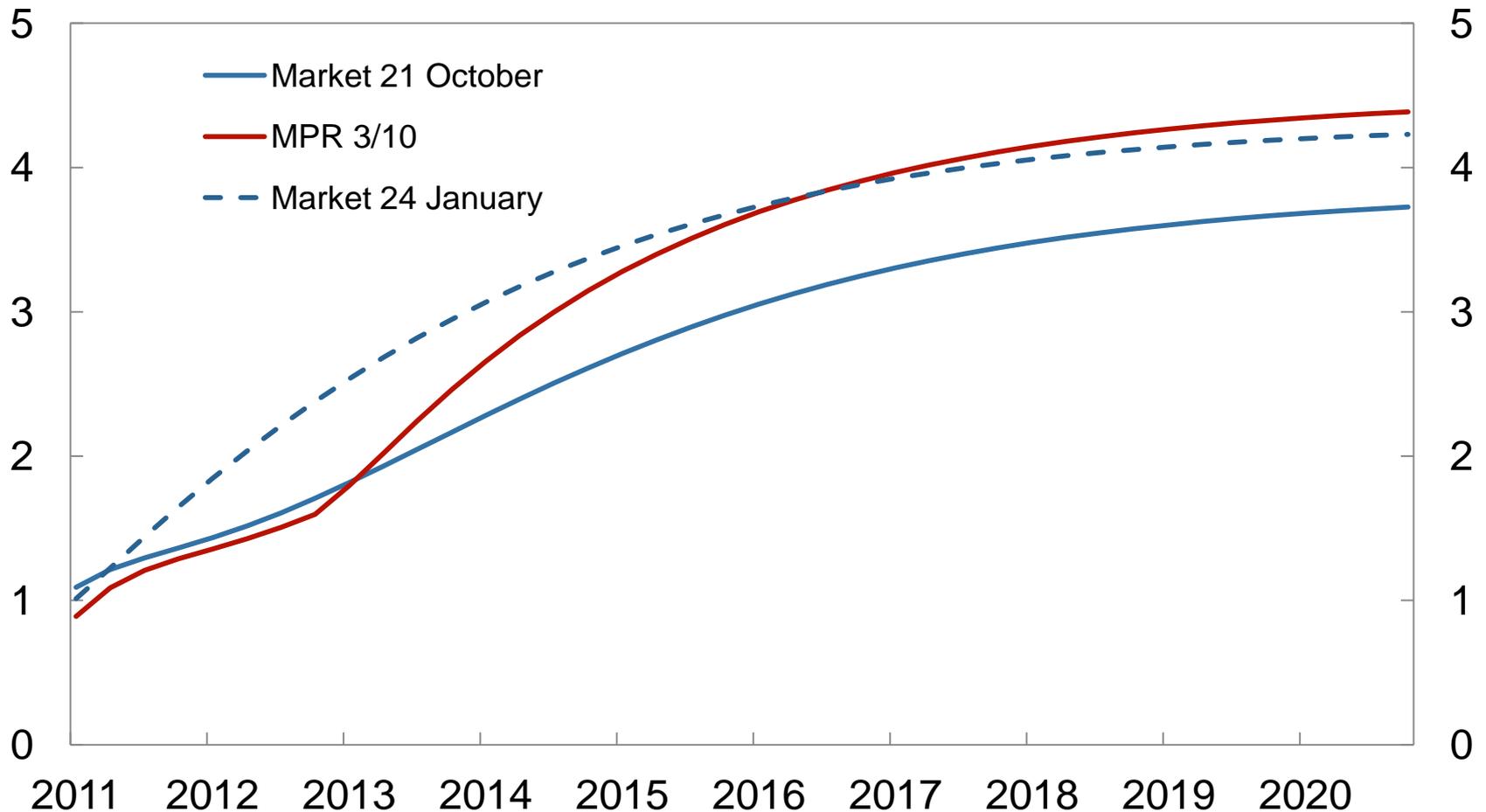


- 1) Expected interest rates are based on Overnight Indexed Swap (OIS) rates
- 2) Daily figures from 1 January 2007 and quarterly figures as at 24 January 2010
- 3) EONIA in euro area

Sources: Bloomberg and Norges Bank

# Forward interest rates among trading partners

Per cent. January 2011 – October 2020

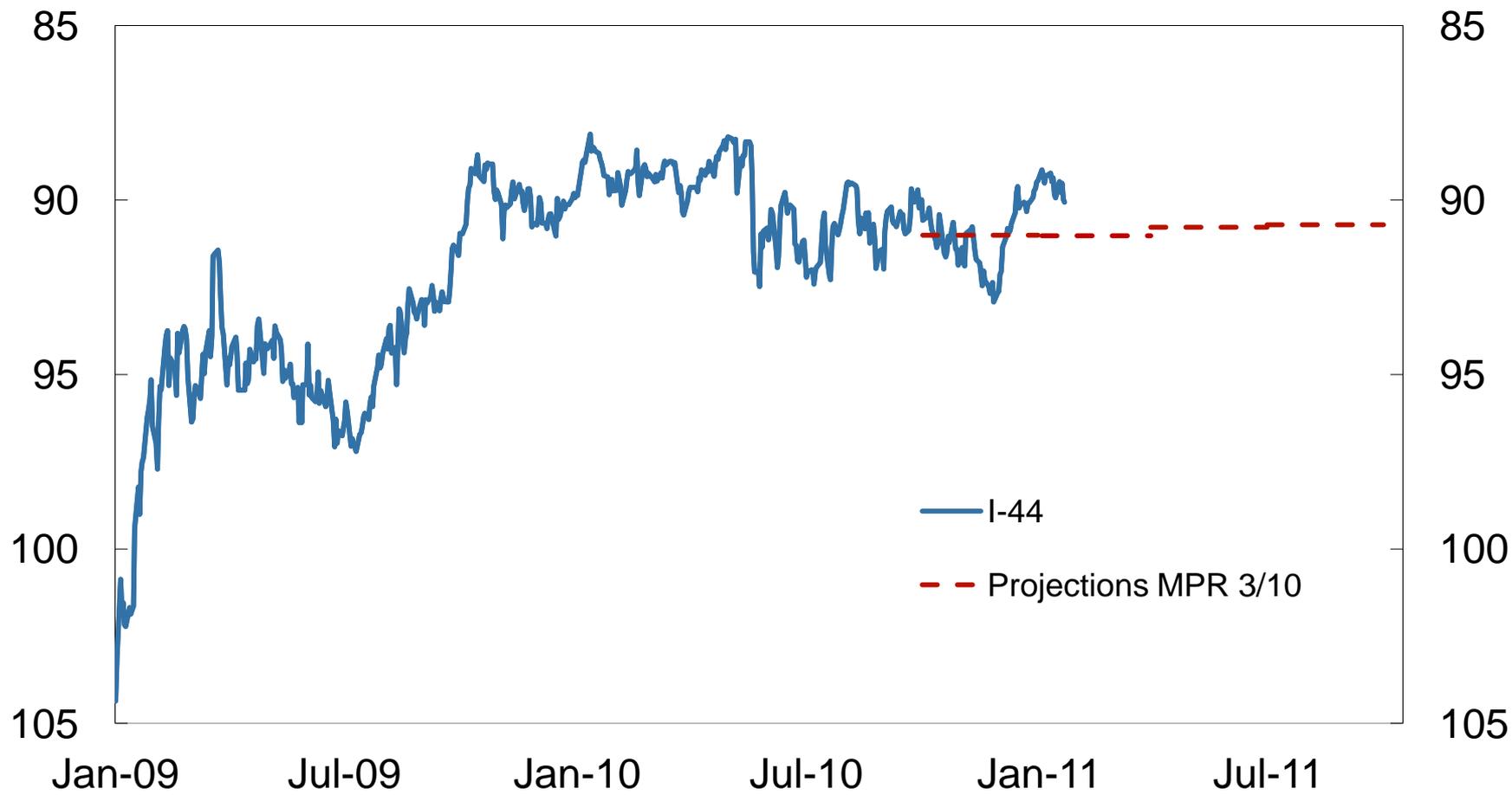


Sources: Bloomberg, Thomson Reuters and Norges Bank

# Import-weighted krone exchange rate (I-44)<sup>1)</sup>

Daily- (historical) and quarterly figures (projected)

January 2009 – September 2011

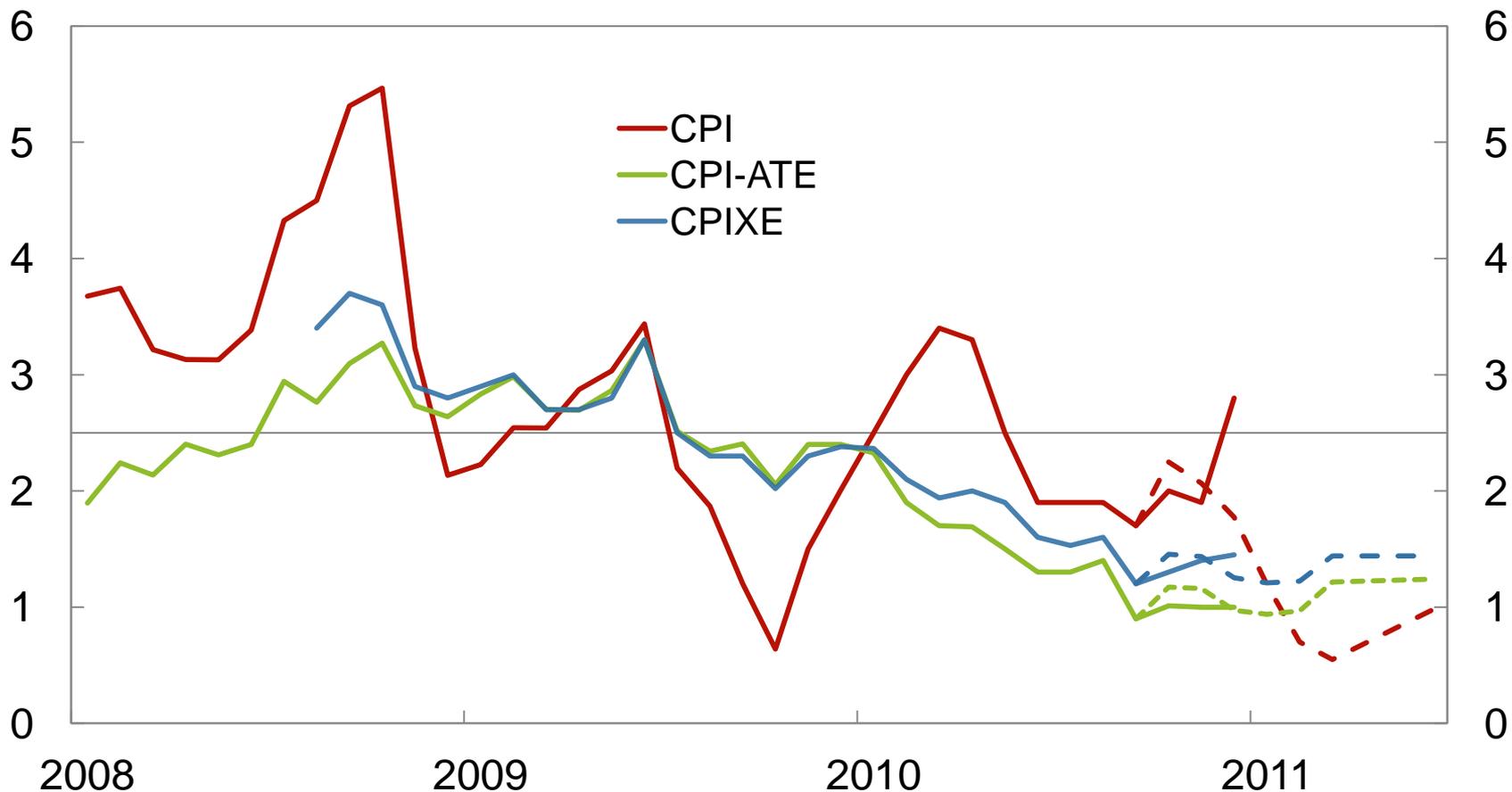


1) A rising curve denotes a stronger krone exchange rate

Source: Norges Bank

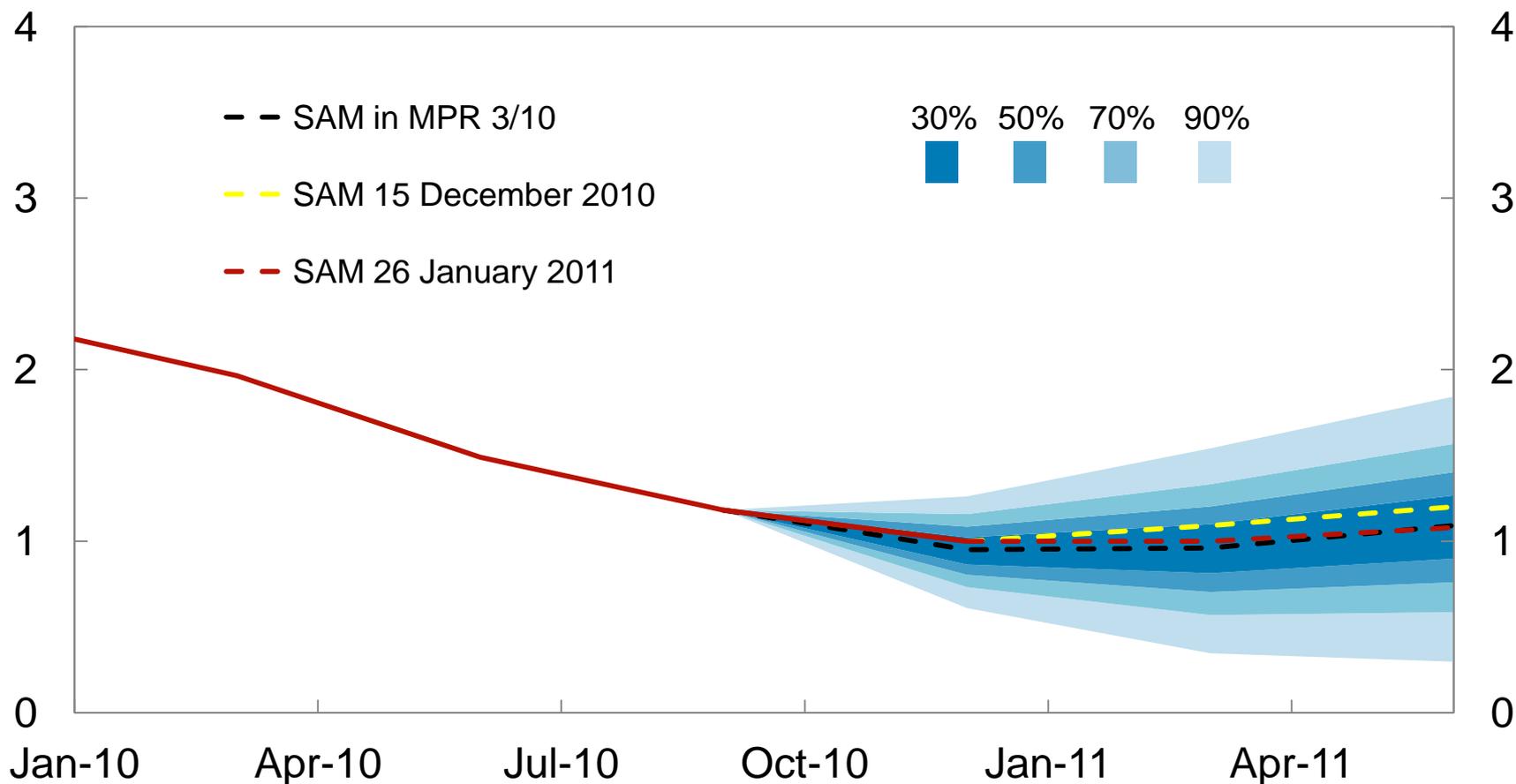
# CPI, CPI-ATE<sup>1)</sup> and CPIXE<sup>2)</sup>

Projections from MPR 3/10 (broken lines). 12-month change. Per cent.  
January 2008 – June 2011



# Projections for CPI-ATE<sup>1)</sup>

Projections from SAM<sup>2)</sup> given at different points in time with fan chart from MPR 3/10. Four-quarter change. Per cent



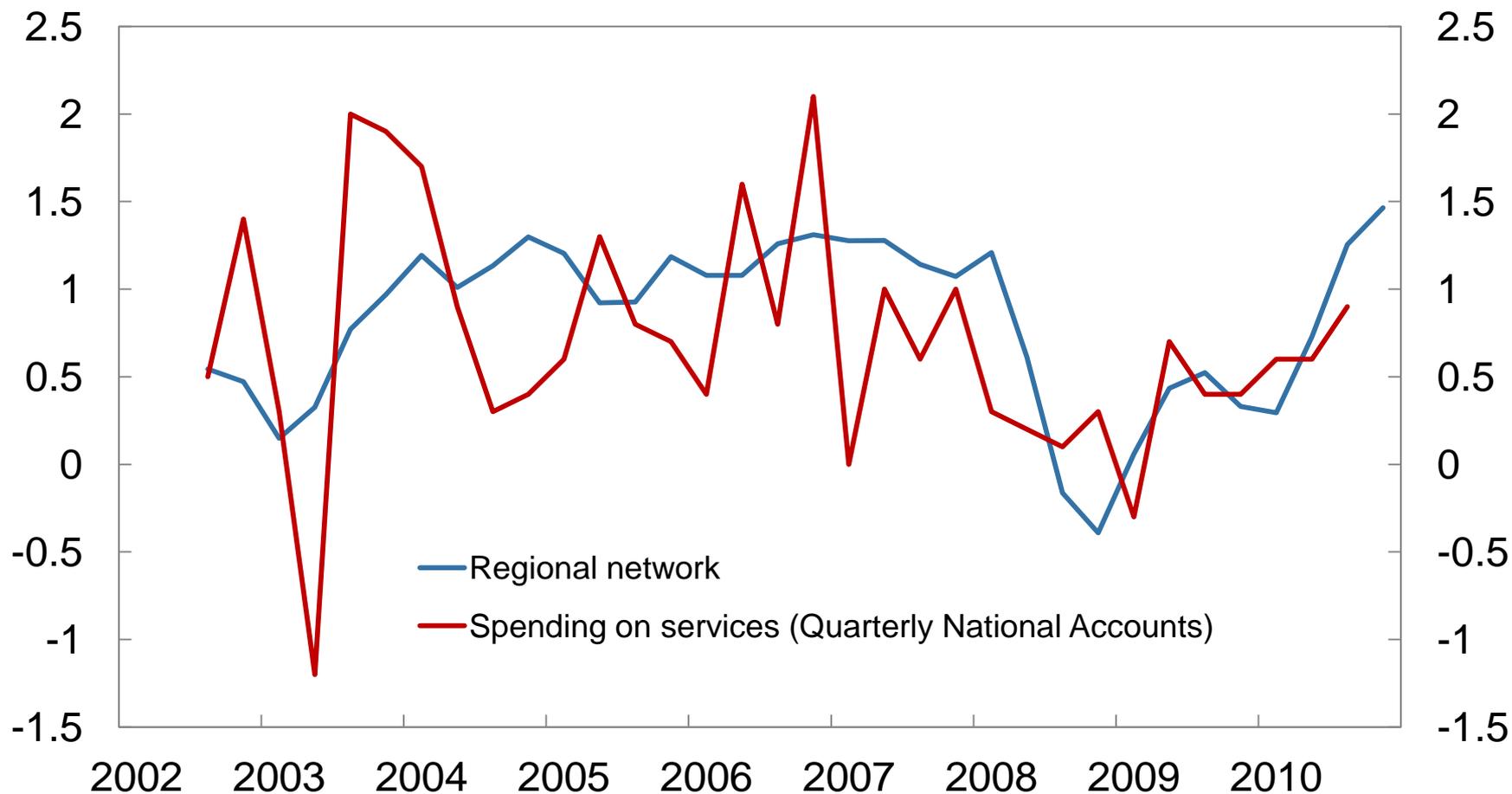
1) CPI adjusted for tax changes and excluding energy products

2) System for Averaging Models. For more information about SAM and the projections see [www.norges-bank.no](http://www.norges-bank.no)

Sources: Statistics Norway and Norges Bank

# Household spending on services and regional network

Quarterly growth. Seasonally adjusted. Output growth for household services past 3 months, from regional network.



Sources: Statistics Norway and Norges Bank

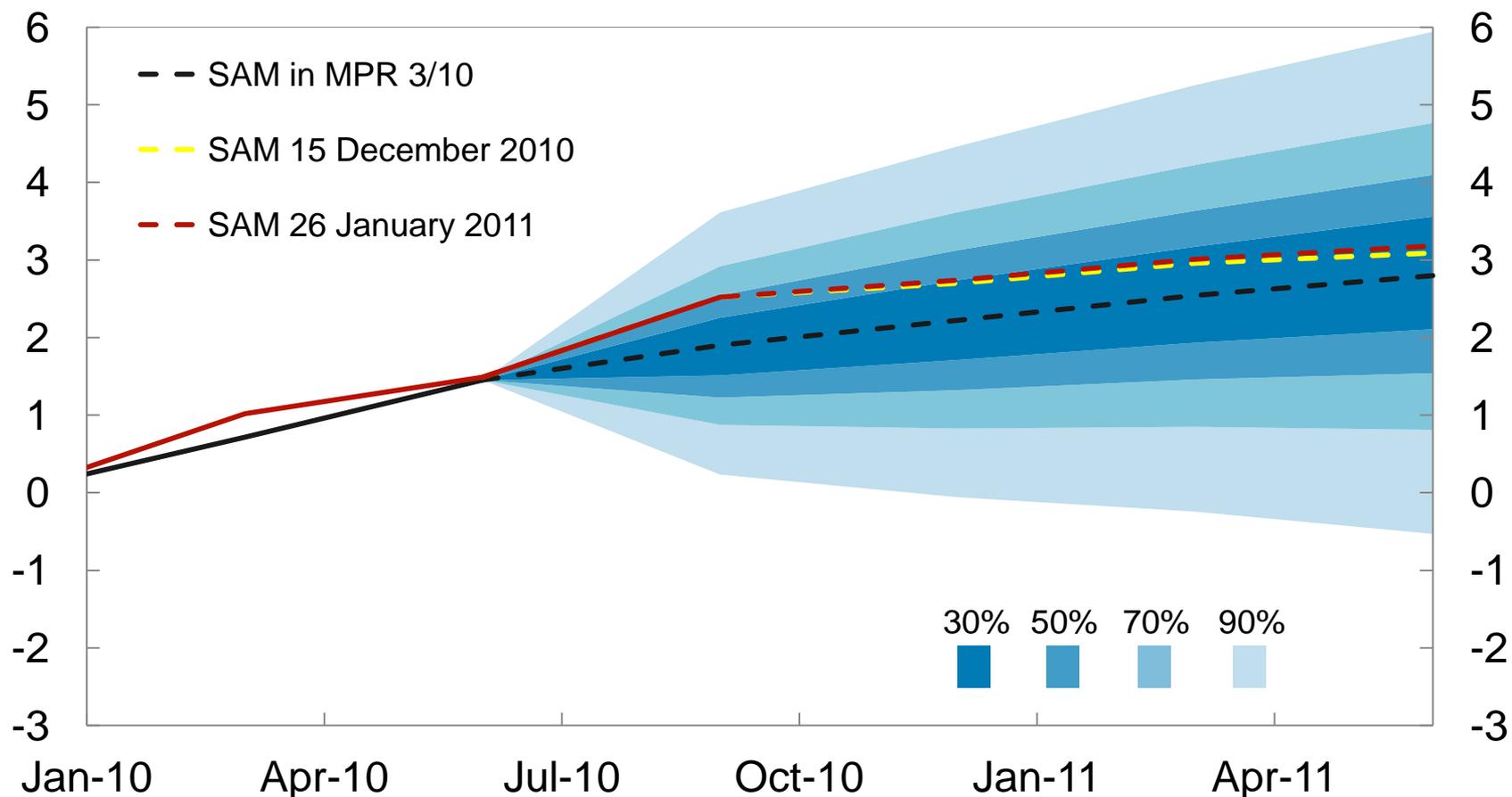
# Norges Bank's regional network

Survey by phone January 2011

- Growth in activity since November in line with expectations overall
  - Lower than expected in retail trade and higher than expected in building and construction (especially residential)
- Growth expectations revised up somewhat since November
  - Improved prospects for building and construction and services
- Employment growth since November in line with expectations
- Capacity utilisation as projected, with generally ample supply of labour

# Projections for mainland GDP growth

Projections from SAM<sup>1)</sup> given at different points in time with fan chart from MPR 3/10. Four-quarter change. Per cent



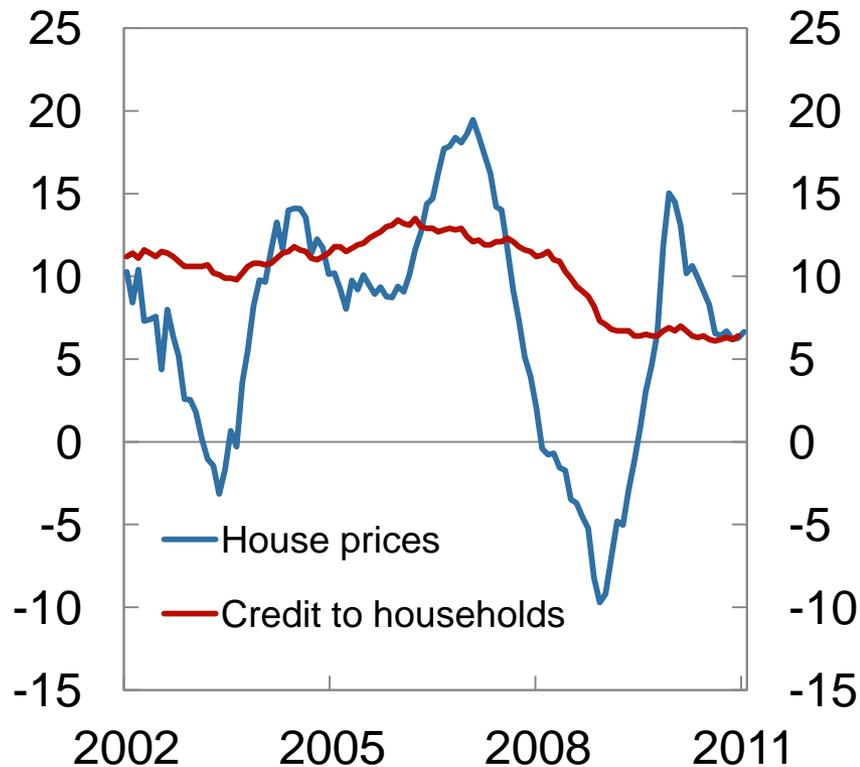
1) System for Averaging Models. For more information about SAM and the projections, see [www.norges-bank.no](http://www.norges-bank.no)

Sources: Statistics Norway and Norges Bank

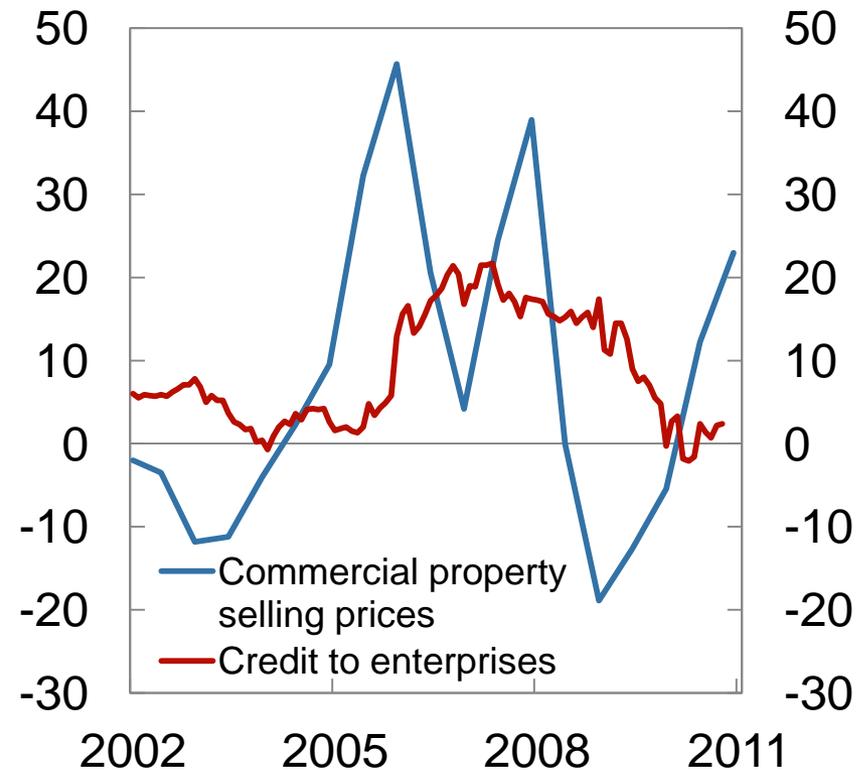
# Credit growth and property prices

12-month change. Per cent. January 2002 – December 2010

Credit to households<sup>1)</sup> and house prices<sup>2)</sup>



Credit to enterprises<sup>1)</sup> and commercial property prices<sup>3)</sup>

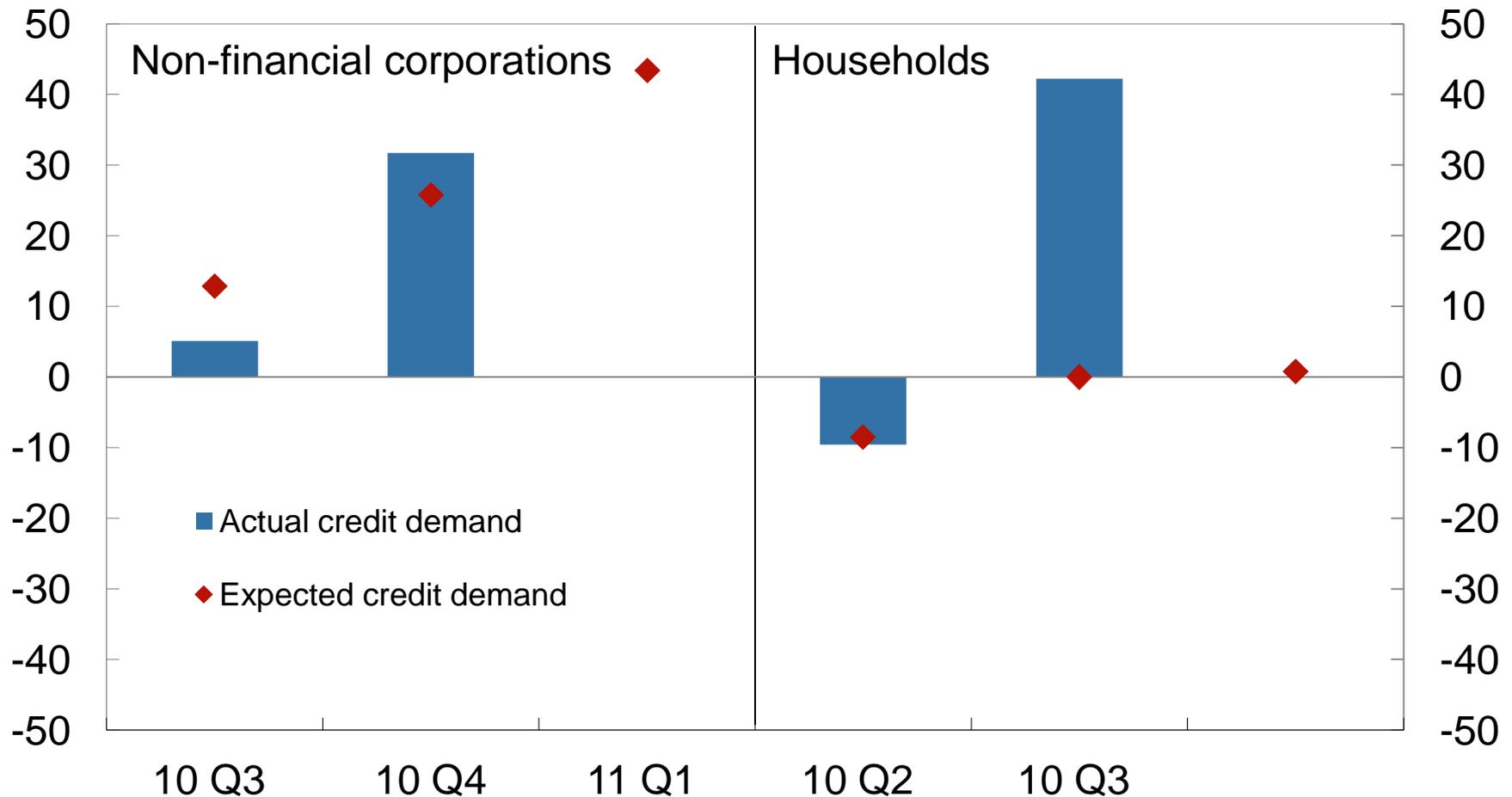


- 1) Households; C2, Enterprises; C3, mainland Norway
- 2) House prices to December. Credit growth to November
- 3) Semiannual figures to end of 2010. Credit growth to October

Sources: Statistics Norway, OPAK, the real estate sector (NEF, EFF, FINN.no and ECON Pöyry), OBOS and Norges Bank

# Credit demand, non-financial corporations and households

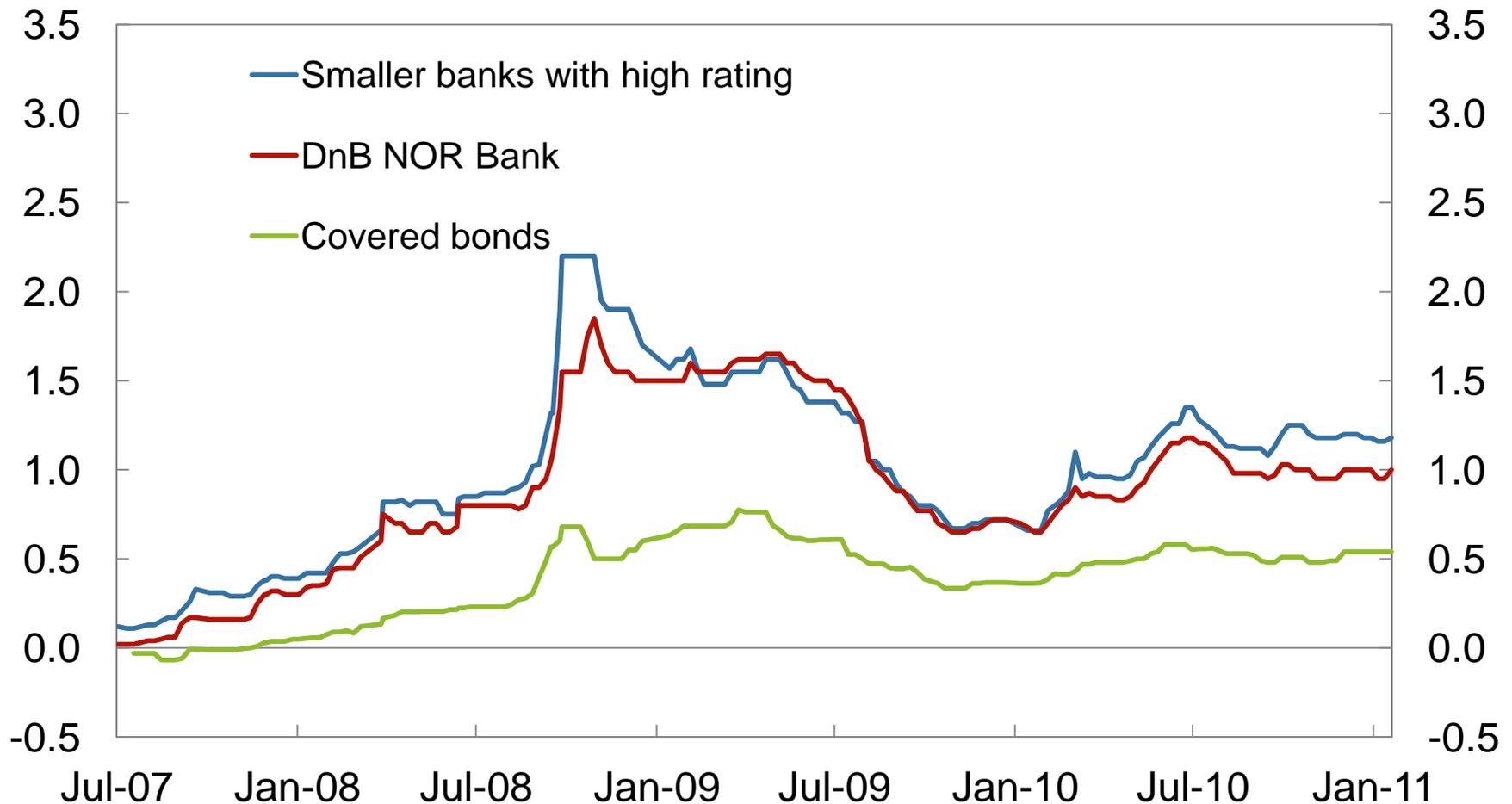
Per cent. 2010 Q1 – 2010 Q4



Source: Norges Bank

# Risk premium on bank bonds and covered bonds

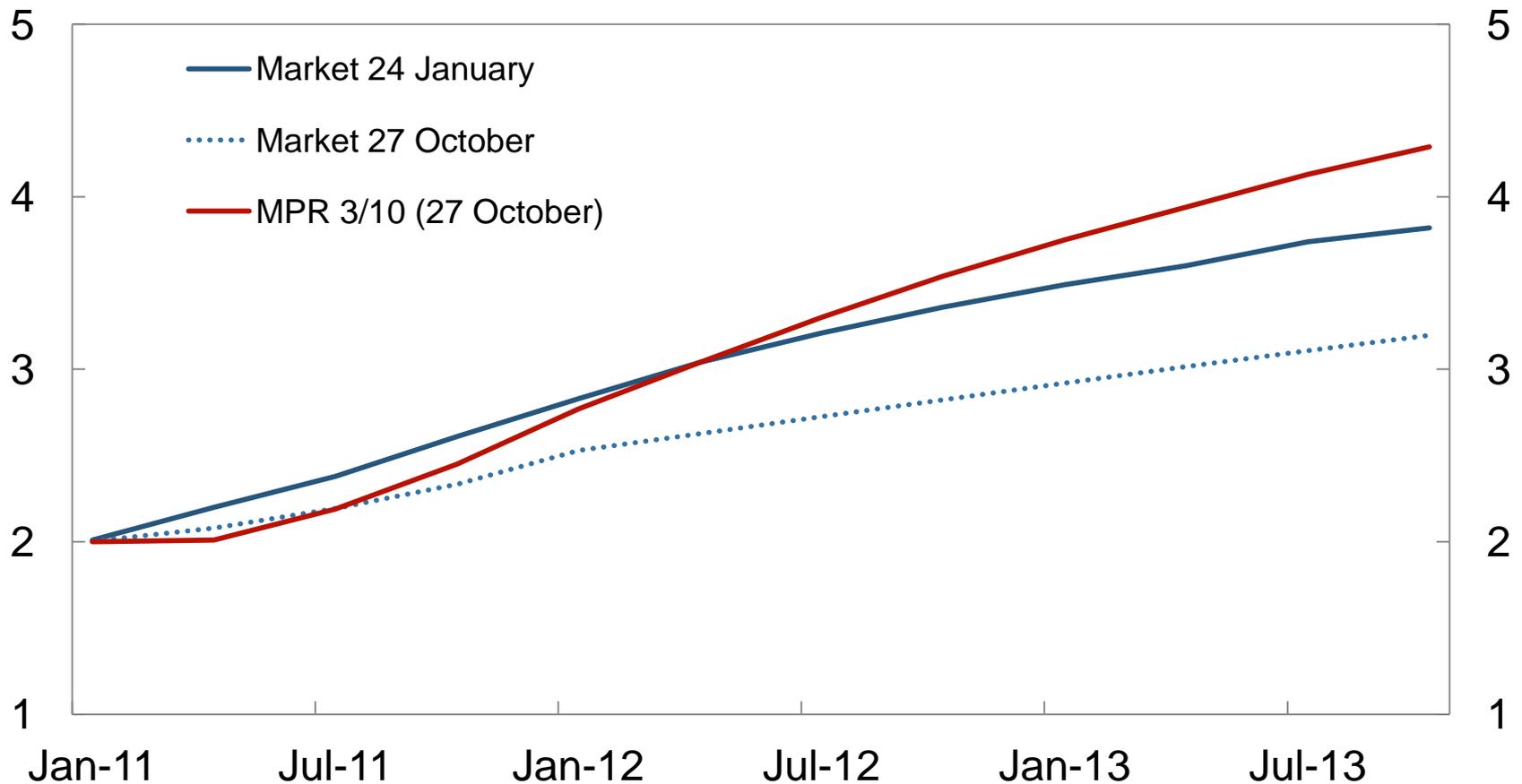
Compared with swap rates. 5- year. Per cent. July 2007 – January 2011



Source: DnB NOR Markets

# Norges Bank's interest rate path and market interest rate expectations

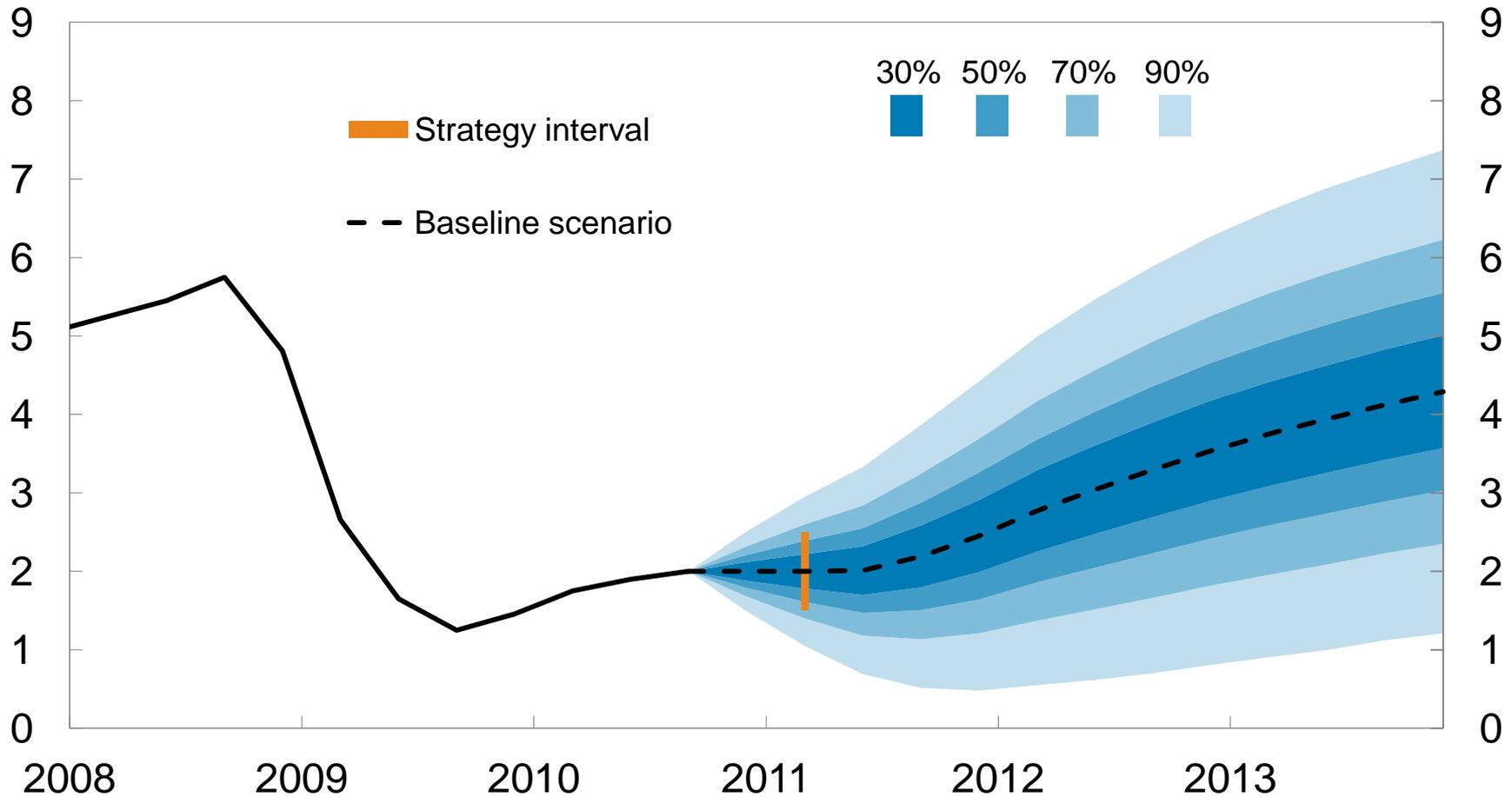
Per cent. 1 January 2011 – 1 October 2013



Sources: Bloomberg, Thomson Reuters and Norges Bank

# Norges Bank's key policy rate

Per cent. 2008 Q1 – 2013 Q4



Source: Norges Bank

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*26 January 2011*