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DBRS Morningstar Confirms Kingdom of Norway at AAA, Stable Trend

Industry Group: Public Finance – Sovereigns

DBRS, Inc. (DBRS Morningstar) confirmed the Kingdom of Norway's Long-Term Foreign and Local Currency – Issuer Ratings at AAA. At the same time, DBRS Morningstar confirmed the Short-Term Foreign and Local Currency – Issuer Ratings at R-1 (high). The trend on all ratings is Stable.

KEY RATING CONSIDERATIONS

The confirmation of the Stable trend reflects our view that Norway's credit fundamentals remain solid despite the economic shock from the Coronavirus Disease (COVID-19) pandemic. Following the 1.3% contraction seen in 2020, the easing of COVID-19-related restrictions has led to a sharp upturn in the Norwegian economy, with Norges Bank projecting GDP growth at 3.0% in 2021 and 3.8% in 2022. With growth returning and the unemployment rate falling to 2.7%, Norges Bank became the first advanced economy central bank to begin tightening after the COVID-19 recession, raising its benchmark interest rate from zero percent to 25bps. The pandemic had resulted in the rate being lowered from 1.5% in February 2020 to zero percent in May 2020.

Norway's AAA ratings are underpinned by its public-sector wealth, prudent management of its oil-related revenue windfalls, strong external position, and sound institutional framework. However, Norway faces several structural challenges. The country is reliant on the petroleum sector, the household sector has high levels of debt and the population is aging. Nevertheless, Norway is well-positioned to deal with these challenges and has substantial buffers to absorb shocks. The key backstop is Norway's sovereign wealth fund (SWF), the Government Pension Fund Global (GPFG), with a market value of NOK 11.7 trillion equivalent to 365% of mainland GDP in June 2021. The SWF is both a current source of income (supplementing the annual budget) and a future source of resilience (buffering shocks during downturns), as seen during the pandemic with a large net transfer of NOK 310 billion (9% of GDP) in 2020 and NOK 267 billion (7% of GDP in 2021 to the national budget to mitigate the impact of COVID-19.

RATING DRIVERS

Norway is firmly placed in the AAA rating category, but could be downgraded by one or a combination of the following factors: (1) a worsening of financial conditions and medium-term growth prospects that is severe enough to materially affect Norway's financial stability and fiscal position; and (2) a significant loosening of the government's commitment to a prudent fiscal policy.

RATING RATIONALE

Norway's Strong Public Sector Balance Sheet and Prudent Fiscal Framework Underpin its Ratings

Norway's solid fiscal framework and its prudent management of oil-related proceeds are key factors supporting the ratings. The public sector's sizable net creditor position has provided the country with ample fiscal room to implement counter-cyclical policies. To avoid volatility of oil prices on government revenues, Norway's fiscal framework stipulates that the State's net cash inflow from the petroleum industry (receipts from the sale of oil reserves and oil taxes) be transferred to the GPFG, with the proceeds invested entirely overseas. The market value of GPFG has grown from its first deposit of NOK 2 billion in 1996 to 11.7 trillion NOK in June 2021 (equivalent to 365% of mainland GDP), the largest SWF in the world.

Norway's fiscal rule stipulates that transfers from the fund, to finance the non-oil deficit over time, should be equal to the expected real return of the Fund, estimated at 3%. The guidelines further stipulate that petroleum revenue spending in any given year shall be adapted to the economic situation, as determined by the parliament. The pandemic resulted in an increase in public spending in the form of increased transfers to households and firms. Consequently, Norway's structural non-oil fiscal deficit rose from NOK 238.6 billion (equivalent to 2.9% of the value of GPFG) in 2019 to NOK 369.3 billion in 2020 (3.7% %) and NOK 392.7 billion in 2021 (3.6%). Norway's continued expansionary budget estimated by the 0.6% of GDP fiscal impulse in 2021 reflects the government measures to return people back to work, to restructure the economy and to fund green investment. However, as the government has signalled that most of the support measures will be phased out by the end of 2021, there would be a substantial reduction in transfers from the GPFG, which would then likely result in the structural non-oil deficit declining below 3% of the GPFG in 2023.

Norway's public sector balance sheet constitutes one of its key credit strengths relative to other AAA-rated countries. General government gross debt rose from 40.8% of GDP in 2019 to 46.9% in 2020, lower than other advanced countries, reflecting the contraction in nominal growth. In most countries, the main purpose of government borrowing is to finance a budget deficit. In Norway, the non-oil budget deficit is covered by transfers from the GPFG and therefore the deficit does not trigger any additional borrowing requirement. In the current pandemic the fiscal stimulus took the form of a higher non-oil fiscal budget deficit, that was financed by higher transfers from the GPFG. Consequently, the current negative shock has been affecting net rather than gross government debt. However, the government typically borrows in local currency to fund government lending schemes, to cover redemptions of existing debt and to ensure a well-functioning domestic financial market. DBRS Morningstar foresees the general government gross debt ratio falling and then stabilizing at around 40% of GDP by 2025.

With financial assets far exceeding total debt, the government's net asset position stands at 297.1% of GDP as of Q2 2021. Given the fiscal guidelines and the government's asset position, Norway's gross government debt is generally insulated from negative shocks. This qualitative factor has a positive impact on the Debt and Liquidity building block.

Economic Recovery Gains Momentum but Medium Term Challenges Remain

Norway's wealthy and stable economy, with a balanced income distribution, underpins its AAA ratings. Following the 1.3% contraction seen in 2020, the easing of COVID-19-related restrictions has led to a sharp upturn in the Norwegian economy, with Norges Bank reporting that GDP is already higher than pre-pandemic levels. Norway's relatively lower GDP contraction compared to the EU and stronger rebound reflects its economic structure, which is less reliant on the tourism and hospitality sectors, its favorable starting position in terms of remote working and digital skills as well as sizable fiscal room to react with stimulus measures.

Norges Bank projects GDP growth at 3.0% in 2021 and 3.8% in 2022, with consumption likely to be the key growth driver. Owing to limited spending options, households have accumulated substantial savings during the pandemic, which are expected to provide a significant boost to domestic growth. Business investment, which had also fallen, is likely to see a recovery with climate-related investment likely to support growth in the coming years, while the weaker Kroner will likely help exports. However, as a small and open economy, Norway remains exposed to potential downturns in external demand and similar to all economies, virus mutations or reduce vaccine efficacy could hinder Norway's performance. Over the medium-to-long-term, the main challenge for the Norwegian economy will be to successfully shift resources from an oil-dependent economy towards other tradable sectors or exports of oil-related goods and services. For more details please see Norway and Saudi Arabia: Managing Oil Resources for the Global Energy Transition October 1, 2021.

Norges Bank Begins to Increase Rates; Property Markets Remain a Concern

Following pandemic-related policy rate cuts, which took the benchmark interest rate from 1.5% in February 2020 to zero percent in May 2020, Norges Bank became the first advanced economy central bank to raise rates in the post-pandemic recovery. In its latest policy meeting on September 22 2021, the bank said that as the Norwegian economy was normalizing, it would be appropriate to also begin a gradual normalization of the policy rate and thus raised the benchmark rate from zero percent to 25bps. Moreover given the current assessment of the outlook and balance of risks, the monetary policy committee expects the policy rate to be raised further in December. In addition, while underlying core inflation is currently low at 1% in August 2021, Norges Bank expects increased activity and rising wages to result in inflation increasing up towards its target of 2%. Headline CPI inflation has been edging higher, currently at 3.4% in August 2021.

While banks in Norway remain liquid, profitable and well-capitalized, the overall system has some structural vulnerabilities. Similar to its Nordic peers, Norwegian banks have a large exposure to the housing market and rely on wholesale. funding. At the end of 2020, the wholesale funding ratio stood at 41% with over half of wholesale funding denominated in foreign currency. However, banks have built significant liquidity buffers in recent years which amply meet the liquidity coverage ratio requirement. The banking sector's Common Equity Tier 1 (CET1) capital ratio stood at 18.6% and average CET1 capital ratio for the largest banks at 19.3% on September 2021.

One of the key challenges facing Norway is the financial imbalance that has built up as housing prices and household debt have outpaced disposable income growth. Fueled by lower residential mortgage rates, growth in household income, high net immigration, and supply constraints, real house prices have been rising for over two decades. As a result, the household debt-to-disposable income ratio rose from 135.3 % in Q4 2001 to 232.3% in Q4 2020. According to Real Estate of Norway, house prices continue to rise, up 9.4% year-over-year as of August 2021, as lower interest rates and temporary easing of the residential mortgage regulation during Q2 and Q3 2020 stimulated housing demand. Banks' exposure to commercial real estate currently at 40% of banks' total corporate exposures is another potential vulnerability in the financial system.

In this context, financial vigilance has resulted in a series of banking regulatory measures and macro-prudential policies to contain risks, including a debt-to-income ratio ceiling at five times borrowers' annual income and the loan-to-value ratio at 60% for secondary housing in Oslo. Further, banks' low loan losses and strong capital buffers mitigate the risks to financial stability. Prior to the reduction to 1% in March 2020, the countercyclical capital buffer was set at 2.5%, which reflected the build-up of financial imbalances over a long period. Assessing current economic developments and the prospects for bank losses and lending capacity, authorities said that they would increase the countercyclical capital buffer by 50 bps to 1.5% effective June 2022 and to 2% effective December 2022. Norway benefits from a credible and independent monetary policy authority and regulators have been proactive in containing risk. This has a positive impact on the Monetary Policy and Financial Stability building block.

Norway's Strong External Position Provides a Significant Buffer to Absorb Shocks

Norway's solid external position and a floating currency provide significant buffers to weather external shocks. Its external accounts are characterized by a structural current account surplus and a positive net creditor position. Related to the sizeable energy trade surplus and high savings, the current account surplus has averaged over 10% in the last two decades. Its large positive net international investment position of 297.1% of GDP is due to the substantial accumulation of foreign assets through the GPFG. While the public sector, through the GPFG, is the main contributor to Norway's net creditor position, the private sector is a net debtor to the rest of the world. Nonetheless, the backstop from the sovereign wealth fund, Norway's flexible exchange rate which acts as an automatic stabilizer, and reserves at 18% of GDP give the economy ample room to maneuver in the face of a temporary disruption in liquidity conditions.

Norway's Ratings Are Supported by a Predictable Policy Framework

Norway benefits from strong political institutions with a well-established track record of a consensus-based approach to macroeconomic policy. This is conducive to a stable and predictable policy framework. The country is characterized by strong rule of law, a robust regulatory environment and low levels of corruption. According to the World Bank's Worldwide Governance Indicators, Norway ranks highly with scores above the 95th percentile in all areas of measured governance.

After two consecutive terms under the minority center-right coalition, a new center-left coalition led by Jonas Gahr Stoere of the Labour Party and the Center took office following the elections held in September 2021. While DBRS Morningstar does not expect a shift in major policies, the Labour Party is working on a coalition agreement with other center-left parties with the key issues being policies on oil and Norway's relations with the EU.

ESG CONSIDERATIONS

A description of how DBRS Morningstar considers ESG factors within the DBRS Morningstar analytical framework can be found in the DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings at https://www.dbrsmorningstar.com/research/373262.

For more information on the Rating Committee decision, please see the Scorecard Indicators and Building Block Assessments.

Notes:
For more information regarding rating methodologies and Coronavirus Disease (COVID-19), please see the following DBRS Morningstar press release: https://www.dbrsmorningstar.com/research/357883

All figures are in NOK unless otherwise noted. Public finance statistics reported on a general government basis unless specified.

The principal methodology is the Global Methodology for Rating Sovereign Governments https://www.dbrsmorningstar.com/research/381451/global-methodology-for-rating-sovereign-governments (July 9, 2021). Other applicable methodologies include DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings https://www.dbrsmorningstar.com/research/373262/dbrs-morningstar-criteria-approach-to-environmental-social-and-governance-risk-factors-in-credit-ratings (February 3, 2021).

Generally, the conditions that lead to the assignment of a Negative or Positive trend are generally resolved within a 12-month period. DBRS Morningstar's outlooks and ratings are monitored.

The primary sources of information used for this rating include the Government of Norway, the Ministry of Finance of Norway, Norges Bank, Statistics Norway, the Financial Supervisory Authority of Norway, Norges Bank Investment Management, Norsk Forbund for Innkjop og Logistikk/Danske Bank, TNS Gallup, UN, IMF, BIS, Energy Information Administration, Real Estate Norway, World Bank and Haver Analytics. DBRS Morningstar considers the information available to it for the purposes of providing this rating was of satisfactory quality.

This rating was not initiated at the request of the rated entity.

The rated entity or its related entities did participate in the rating process for this rating action. DBRS Morningstar did not have access to the accounts and other relevant internal documents of the rated entity or its related entities in connection with this rating action.

This is an unsolicited credit rating.

This rating is endorsed by DBRS Ratings Limited for use in the United Kingdom, and by DBRS Ratings GmbH for use in the European Union, respectively. The following additional regulatory disclosures apply to endorsed ratings:

The last rating action on this issuer took place on April 16, 2021

With respect to FCA and ESMA regulations in the United Kingdom and European Union, respectively, this is an unsolicited credit rating. This credit rating was not initiated at the request of the issuer.
With Rated Entity or Related Third Party Participation: YES
With Access to Internal Documents: NO
With Access to Management: NO

For further information on DBRS Morningstar historical default rates published by the European Securities and Markets Authority (ESMA) in a central repository, see: http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml. DBRS Morningstar understands further information on DBRS Morningstar historical default rates may be published by the Financial Conduct Authority (FCA) on its webpage: https://www.fca.org.uk/firms/credit-rating-agencies.

Lead Analyst: Rohini Malkani, Senior Vice President, Global Sovereign Ratings
Rating Committee Chair: Thomas R. Torgerson; Managing Director, Co-Head Global Sovereign Ratings
Initial Rating Date: 21 March 2012

For more information on this credit or on this industry, visit www.dbrsmorningstar.com.

DBRS, Inc.
140 Broadway, 43rd Floor
New York, NY 10005 USA
Tel. +1 312 696-6293

Issuer	**Debt Rated**	**Rating Action**	**Rating**	**Trend**
Kingdom of Norway	Long-Term Foreign Currency - Issuer Rating	Confirmed	AAA	Stable
Kingdom of Norway	Long-Term Local Currency - Issuer Rating	Confirmed	AAA	Stable
Kingdom of Norway	Short-Term Foreign Currency - Issuer Rating	Confirmed	R-1 (high)	Stable
Kingdom of Norway	Short-Term Local Currency - Issuer Rating	Confirmed	R-1 (high)	Stable

Contacts

Rohini Malkani
Senior Vice President, Global Sovereign Ratings
+1 212 806 3230
rohini.malkani@dbrsmorningstar.com

Thomas R. Torgerson
Managing Director, Co-Head Global Sovereign Ratings
+ 1 212 806 3218
thomas.torgerson@dbrsmorningstar.com

Norway

Scorecard Indicators | Source | Current Scorecard Input

Fiscal Management and Policy	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**			
Overall Fiscal Balance (% of GDP)	6.0%	4.1%	5.0%	7.8%	6.4%	-6.1%	-5.9%	0.0%	2.2%	IMF WEO	13 year average	5.1%
Government Effectiveness (Percentile Rank)	97.6	98.6	98.6	97.6	97.6	98.6	-	-	-	World Bank	5 year average	98.0
Debt and Liquidity	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**			
General Government Gross Debt (% of GDP)	34.5%	38.1%	38.6%	39.7%	40.9%	41.4%	42.7%	42.4%	41.8%	IMF WEO	5 year projection	40.5%
Interest Costs (% of GDP)	-2.6%	-2.5%	-2.4%	-2.1%	-2.1%	-2.0%	-2.0%	-2.1%	-2.1%	IMF WEO	5 year average	-2.0%
Economic Structure and Performance	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**			
GDP per Capita (USD thousands)	74.1	70.2	75.3	82.1	75.7	67.3	82.2	84.1	86.4	IMF WEO	10 year average	84.5
Output Volatility (%)	1.5%	1.4%	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	-	IMF WEO	Latest	1.4%
Economic Size (USD billions)	386	369	398	437	406	363	446	458	474	IMF WEO	5 year average	394
Monetary Policy and Financial Stability	**2015**	**AAA**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**			
Rate of Inflation (%, EOP)	2.3%	3.5%	1.6%	3.5%	1.4%	1.4%	2.3%	2.0%	2.0%	IMF WEO	13 year average	2.0%
Total Domestic Savings (% of GDP)	135%	145%	146%	140%	151%	170%	-	-	-	SSb/IMF	Latest[1]	170%
Change in Domestic Credit (% of GDP)	20.1%	6.8%	-11.0%	-11.4%	14.2%	20.9%	-	-	-	BIS/IMF	7 year average[1]	6.5%
Net Non-Performing Loans (% of Capital)	5.4%	4.9%	2.5%	0.1%	0.7%	0.3%	-	-	-	IMF IFS	Latest[1]	0.3%
Change in Property Price/GDP Index (%)	7.1%	7.5%	-1.3%	-5.9%	2.1%	8.7%	-	-	-	SSb/IMF	7 year average[1]	2.6%
Balance of Payments	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**			
Current Account Balance (% of GDP)	8.0%	4.5%	5.5%	8.0%	2.8%	2.0%	7.2%	7.0%	6.0%	IMF WEO	8 year average	5.4%
International Investment Position (% of GDP)	197.8%	204.8%	220.1%	196.0%	245.3%	286.4%	-	-	-	IMF	5 year average[1]	230.5%
Share of Global Foreign Exchange Turnover (Ratio)	237.4%	308.0%	336.1%	337.4%	368.3%	385.8%	-	-	-	BIS/IMF	Latest	385.8%
Exchange Rate Classification (see footnote)	1	1	1	1	1	1	-	-	-	IMF	Latest	1
Political Environment	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**			
Voice and Accountability (Percentile Rank)	100.0	100.0	100.0	100.0	100.0	100.0	-	-	-	World Bank	5 year average	100.0
Rule of Law (Percentile Rank)	98.6	99.5	99.5	99.5	99.5	99.5	-	-	-	World Bank	5 year average	99.3

See DBRS Morningstar's Global Methodology for Rating Sovereign Governments for additional details on the methodology behind the scorecard indicators and associated scoring thresholds. Exchange Rate Classifications: Freely floating exchange rate = 1; Float = 2; Crawls, banded pegs, and other managed = 3; Stabilized = 4; Pegs, currency unions and dollarized arrangements = 5.

[1] *Scores for 2020 have been computed using the most recent data when year-end data is not available.*

Rating Committee Date: 11-Oct-2021

Norway

Building Block Assessments and Rating Committee Summary

11-Oct-2021

Building Blocks	Scorecard Result	Quantitative Assessment	Net Impact of Qualitative Factors	Building Block Assessment
Fiscal Management and Policy	20.00	Very Strong	N/A	Very Strong
Debt and Liquidity	18.54	Strong	+ 1 Category	Very Strong
Economic Structure and Performance	15.65	Strong/Good	N/A	Strong/Good
Monetary Policy and Financial Stability	14.67	Good	+ 1 Category	Strong/Good
Balance of Payments	20.00	Very Strong	N/A	Very Strong
Political Environment	20.00	Very Strong	N/A	Very Strong

Overall Assessment	Composite Scorecard Result	Scorecard Rating Range	Composite Building Block Assessment	Indicative Rating Range
	90.7	AAA - AA (high)	93.6	AAA - AA (high)

Norway's Long-Term Foreign Currency - Issuer Rating AAA

Main topics discussed in the Rating Committee include: the impact of COVID-19 on the economy and Norway's resilience; Norway's fiscal framework, including its sovereign wealth fund and flexibility of the fiscal rule; Norway's net asset position; and Norway's high-quality governing institutions. For additional details on DBRS Morningstar analysis and opinions, please see the accompanying rating report.

DBRS Morningstar Scorecard: Scoring Ranges and Associated Assessment Categories

Lower Bound	0.00	1.00	3.00	5.00	7.00	9.00	11.00	13.00	15.00	17.00	19.00
Upper Bound	0.99	2.99	4.99	6.99	8.99	10.99	12.99	14.99	16.99	18.99	20.00
Assessment Category	Very Weak	Weak	Weak/ Poor	Poor	Poor/ Moderate	Moderate	Good/ Moderate	Good	Strong/ Good	Strong	Very Strong

Kingdom of Norway

ESG Checklist

ESG Factor	ESG Credit Consideration Applicable to the Credit Analysis:	Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
Environmental	**Overall:**	**Y**	**R**
Emissions, Effluents, and Waste	Do the costs or risks result in changes to a government's financial standing or relationship with other governments, and does this affect the assessment of credit risk?	N	N
Carbon and GHG Costs	Does a government face coordinated pressure from a higher-tier government or from numerous foreign governments as a result of its GHG emissions policies, and does this affect the assessment of credit risk?	N	N
	Will recent regulatory changes have an impact on economic resilience or public finances?	N	N
	Carbon and GHG Costs:	**N**	**N**
Resource and Energy Management	Does the scarcity of key resources impose high costs on the public sector or make the private sector less competitive?	N	N
	Is the economy reliant on industries that are vulnerable to import or export price shocks?	Y	R
	Resource and Energy Management:	**Y**	**R**
Land Impact and Biodiversity	Is there a risk to a government's economic or tax base for failing to effectively regulate land impact and biodiversity activities?	N	N
Climate and Weather Risks	Will climate change and adverse weather events potentially destroy a material portion of national wealth, weaken the financial system, or disrupt the economy?	N	N
Social	**Overall:**	**N**	**N**
Human Capital and Human Rights	Compared with regional or global peers, is the domestic labour force more or less competitive, flexible, and productive?	N	N
	Are labour or social conflicts a key source of economic volatility?	N	N
	Are individual and human rights insufficiently respected or failing to meet the population's expectations?	N	N
	Is the government exposed to heavy, coordinated international pressure as a result of its respect for fundamental human rights?	N	N
	Human Capital and Human Rights:	**N**	**N**
Access to Basic Services	Does a failure to provide adequate basic services deter investment, migration, and income growth within the economy?	N	N
Governance	**Overall:**	**N**	**N**
Bribery, Corruption, and Political Risks	Does widespread evidence of official corruption and other weaknesses in the rule of law deter investment and contribute to fiscal or financial challenges?	N	N
Institutional Strength, Governance, and Transparency	Compared with other governments, do institutional arrangements provide a higher or lesser degree of accountability, transparency, and effectiveness?	N	N
	Are regulatory and oversight bodies insufficiently protected from inappropriate political influence?	N	N
	Are government officials insufficiently exposed to public scrutiny or held to insufficiently high ethical standards of conduct?	N	N
	Institutional Strength, Governance, and Transparency:	**N**	**N**
Peace and Security	Is the government likely to initiate or respond to hostilities with neighboring governments?	N	N
	Is the government's authority over certain regions contested by domestic or foreign militias?	N	N
	Is the risk of terrorism or violence sufficient to deter investment or to create contingent liabilities for the government?	N	N
	Peace and Security:	**N**	**N**
	Consolidated ESG Criteria Output:	**Y**	**R**

* A **Relevant Effect** means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.

A **Significant Effect** means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

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Norway, Kingdom of: ESG Considerations

October 15, 2021

Environmental

This factor is relevant but does not affect the ratings. Norway is one of the world's largest oil and gas exporters and the country ranks 15th on the list of the world's top oil producing countries and ranks eighth in the world for natural gas production. The economy has a high reliance on the petroleum sector as it accounts for 18% of GDP, 18% of fiscal revenues and 43% of exports. Despite having one of the largest oil and gas reserves in Europe, the government has been preparing for a post-carbon future through its sovereign wealth fund, the Government Pension Fund Global, where oil proceeds are reinvested abroad. Moreover, the government budget is isolated from the volatility of petroleum revenues because of the sovereign wealth fund. The Fund is influential in the sustainable investment space given its immense size and noteworthy is the decision to phase out investment in coal, oil, and gas-related companies. Climate policy in Norway is undertaken in conjunction with the EU and Iceland. In February 2020, Norway updated its GHG emissions reduction targets under the 2015 Paris Agreement from 40% to 50-55% of 1990 levels by 2030. For more details please see Norway and Saudi Arabia: Managing Oil Resources for the Global Energy Transition October 1, 2021.

Social

This factor does not affect the ratings assigned to Norway. Norway's high levels of human capital and productivity are reflected in its very high income per capita of USD 82,242 in 2021. Respect for human rights is high, and there is widespread access to quality healthcare and other basic services with Norway ranking 17 out of 141 countries in the Global Competitiveness Report. Norway ranks 1st among countries in the 2020 Social Progress Index. Reporters Without Borders ranked Norway 1st in the world in the 2019 Press Freedom Index. Norway also scores the maximum points under political rights and civil liberties in the Freedom in the World report.

Governance

This factor does not affect the ratings assigned to Norway. Norway has effective and transparent governing institutions, providing a strong environment for investment and limited scope for corruption. The Norwegian government consistently scores above the 95th percentile across the World Bank's governance indicators, reflecting institutional strength and low levels of corruption. Additionally, the management of the Government Pension Fund Global is among the most transparent in the world.