



OUTLOOK FOR THE NORWEGIAN ECONOMY

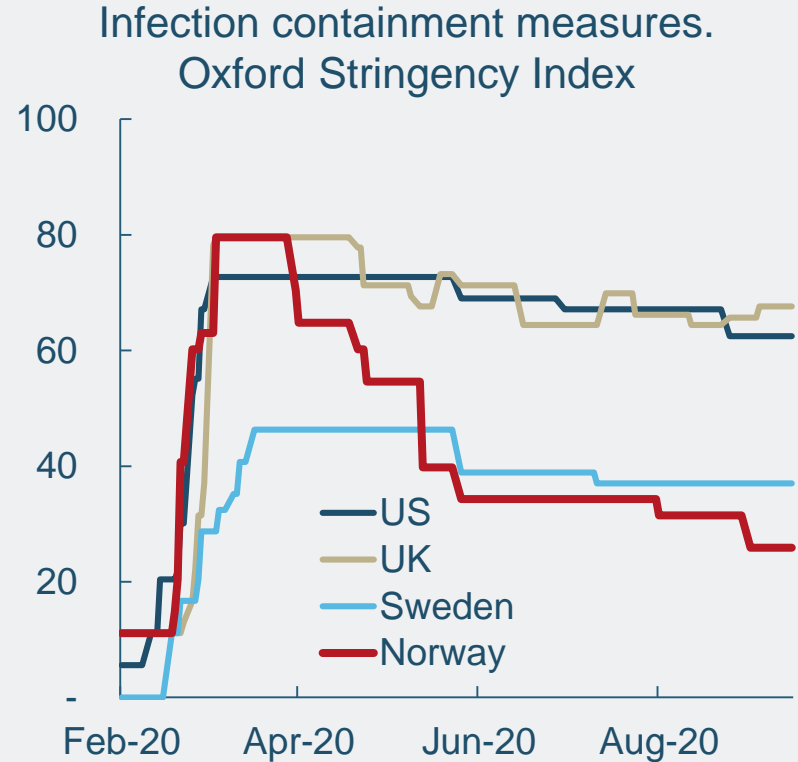
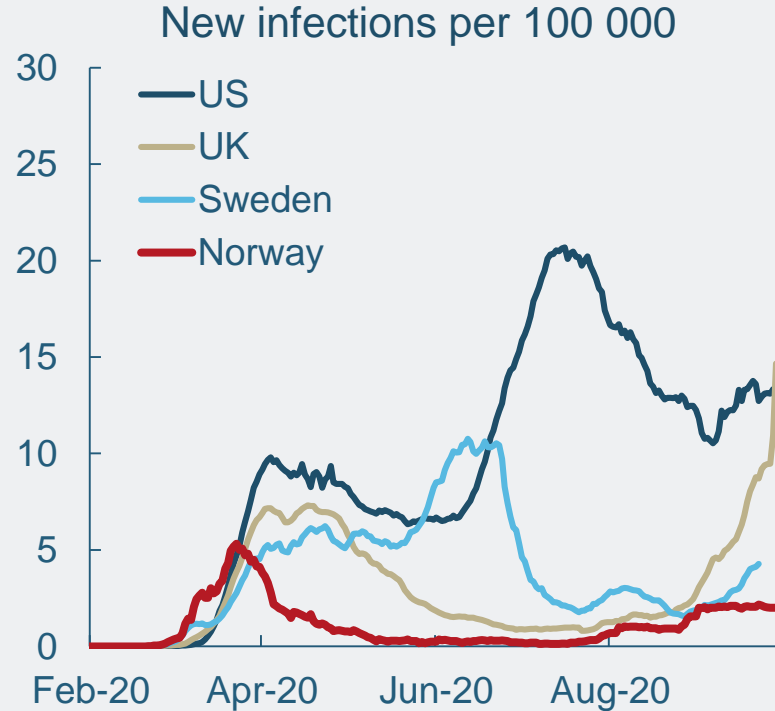
DEPUTY GOVERNOR IDA WOLDEN BACHE

Citi Virtual Macro Policy Roundtable, 7 October 2020



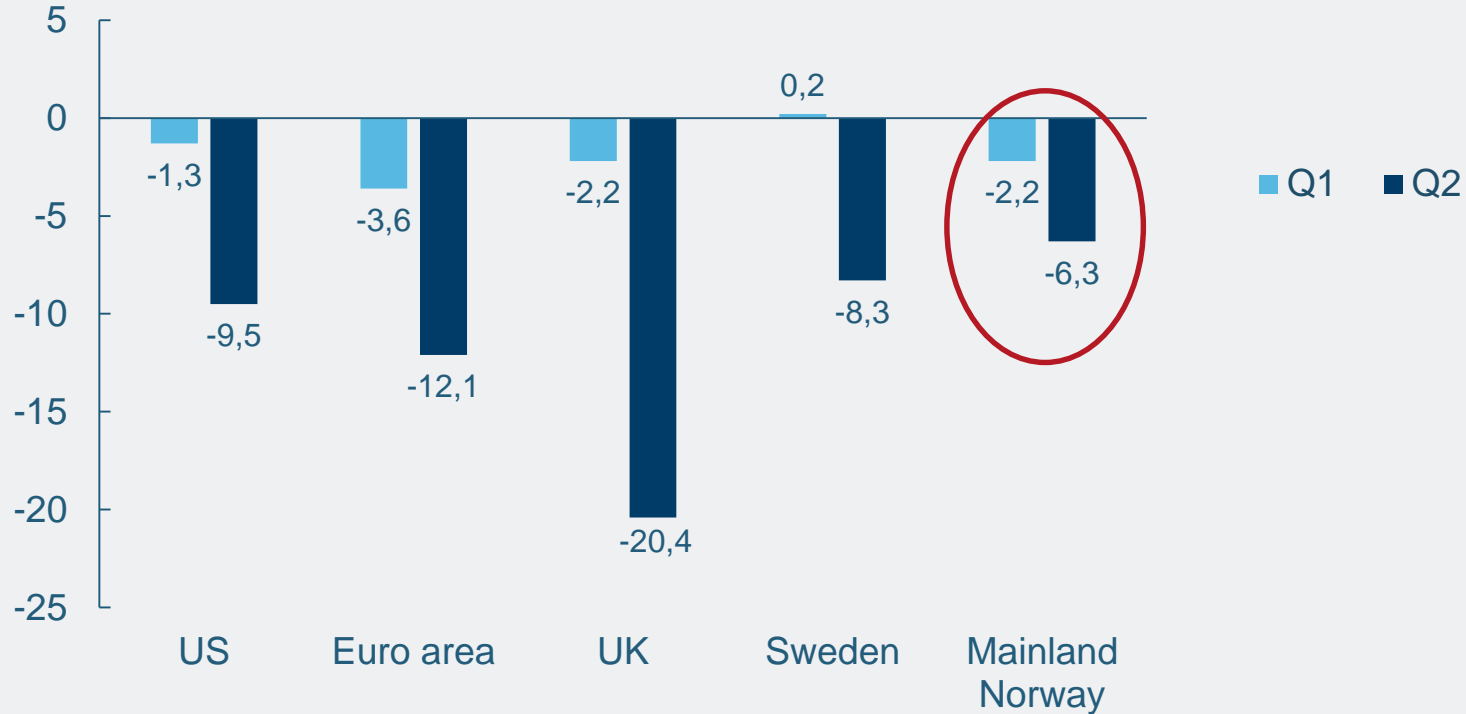
NORGES BANK

Extensive containment measures



Historically steep fall in GDP

GDP. Quarterly change. Percent. Seasonally adjusted



Norway: Economic measures

Government:

- Income security schemes for individuals
- Compensatory measures for companies
- Loans and guarantee schemes
- Deferral of tax payments

Norges Bank:

- Policy rate reduced from 1.5 to zero percent
- Extraordinary F-loans to banks in NOK and USD
- NOK purchases



March: High volatility in NOK market

Exchange rate (I-44)

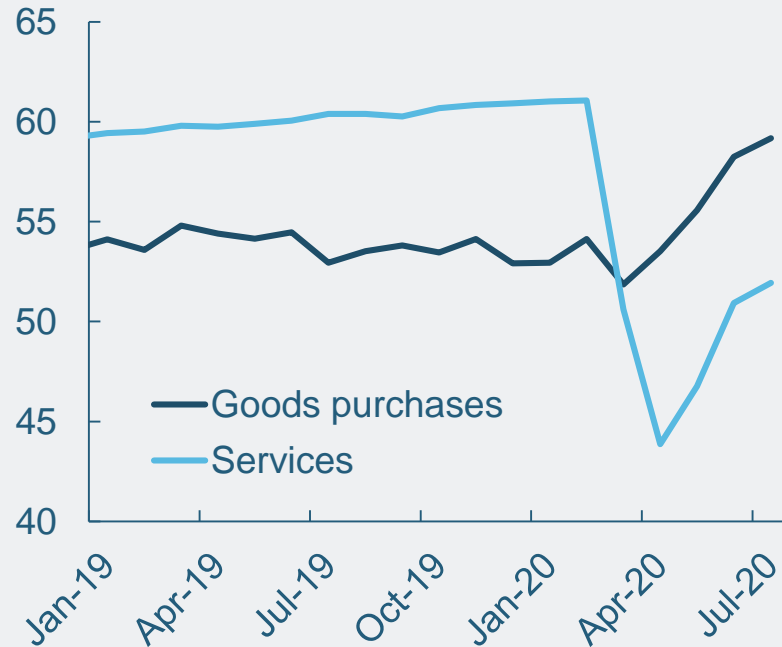


Sources: Bloomberg

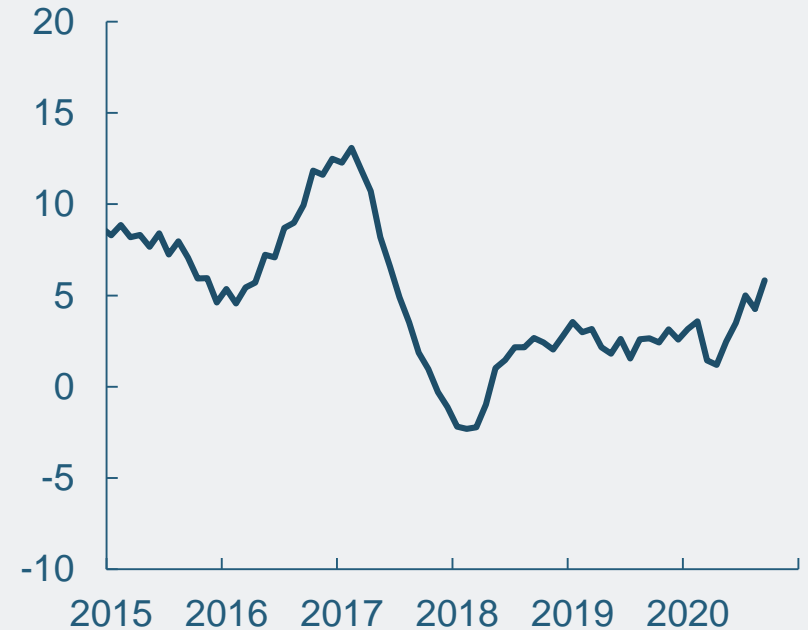


Increasing consumption and house prices

Consumption of goods and services.
Constant prices. Billions of NOK



House prices inflation. Twelve-month change



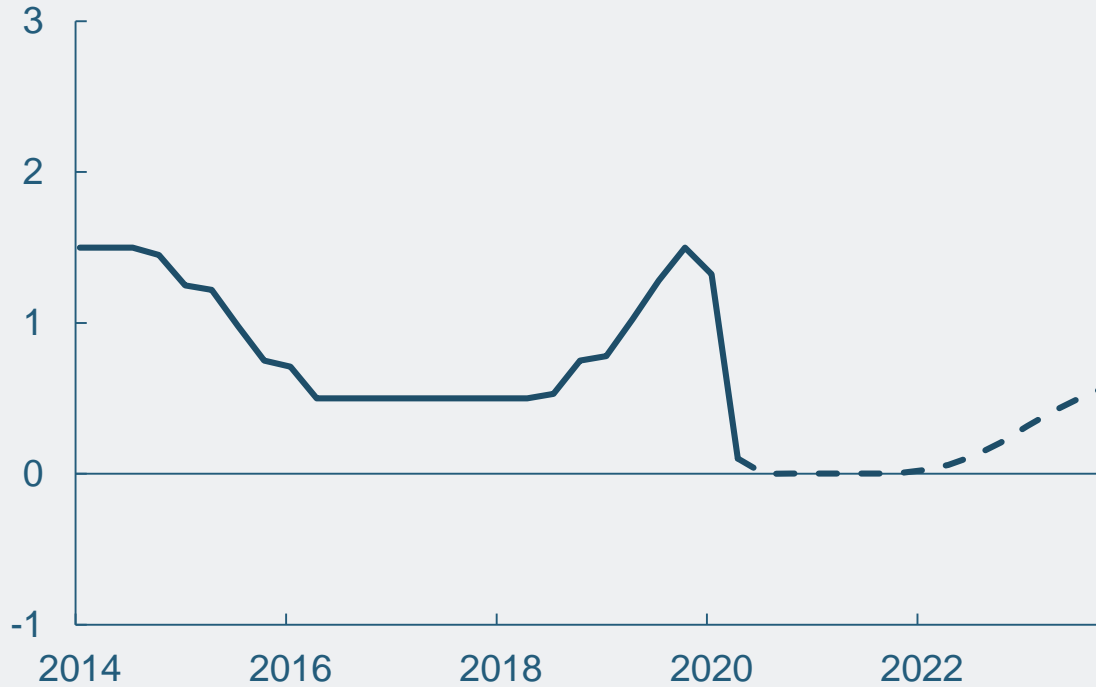
Import prices lift inflation

Percent



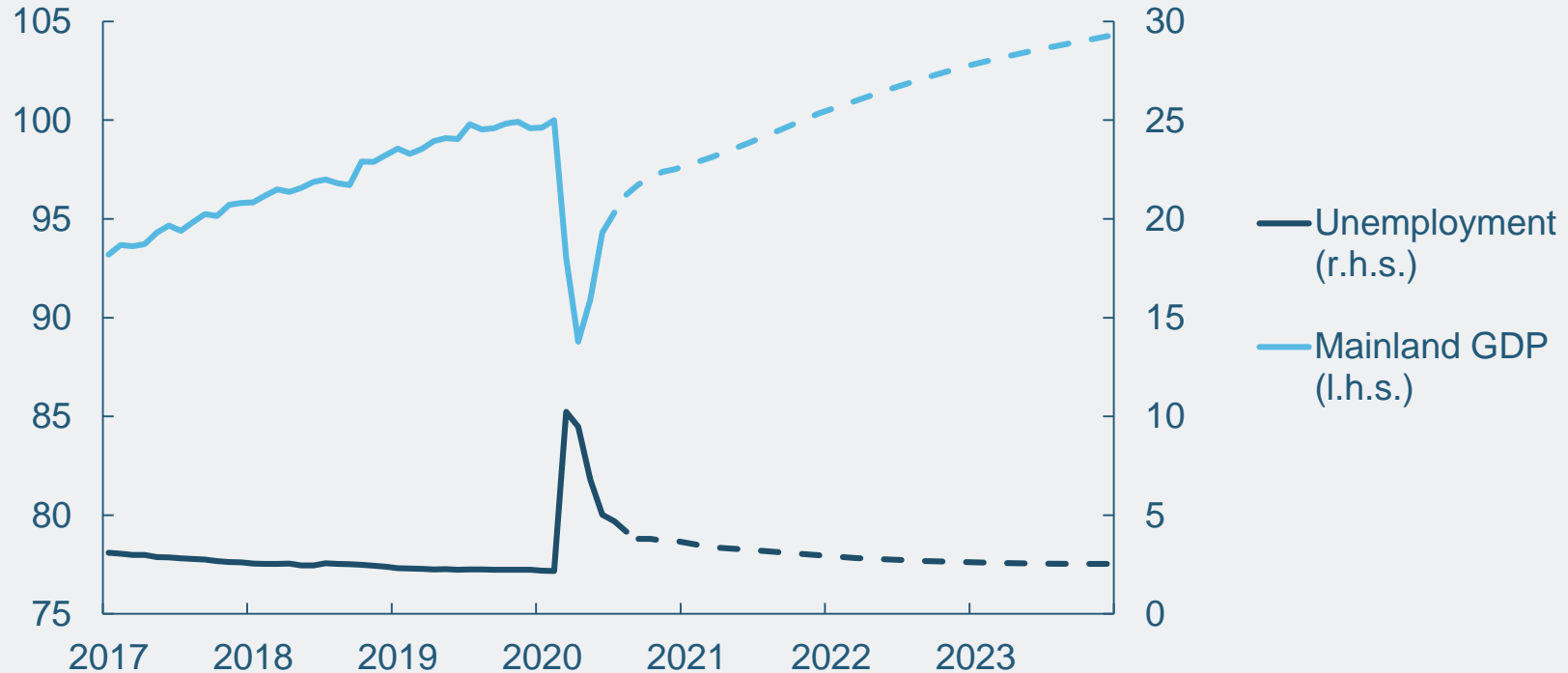
Norges Bank's policy rate path

Policy rate. Percent. *Monetary Policy Report 3/20*



Gradual improvement

Mainland GDP¹⁾ and registered unemployment²⁾



1) Index. February 2020 = 100.

2) Share of labour force.

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





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