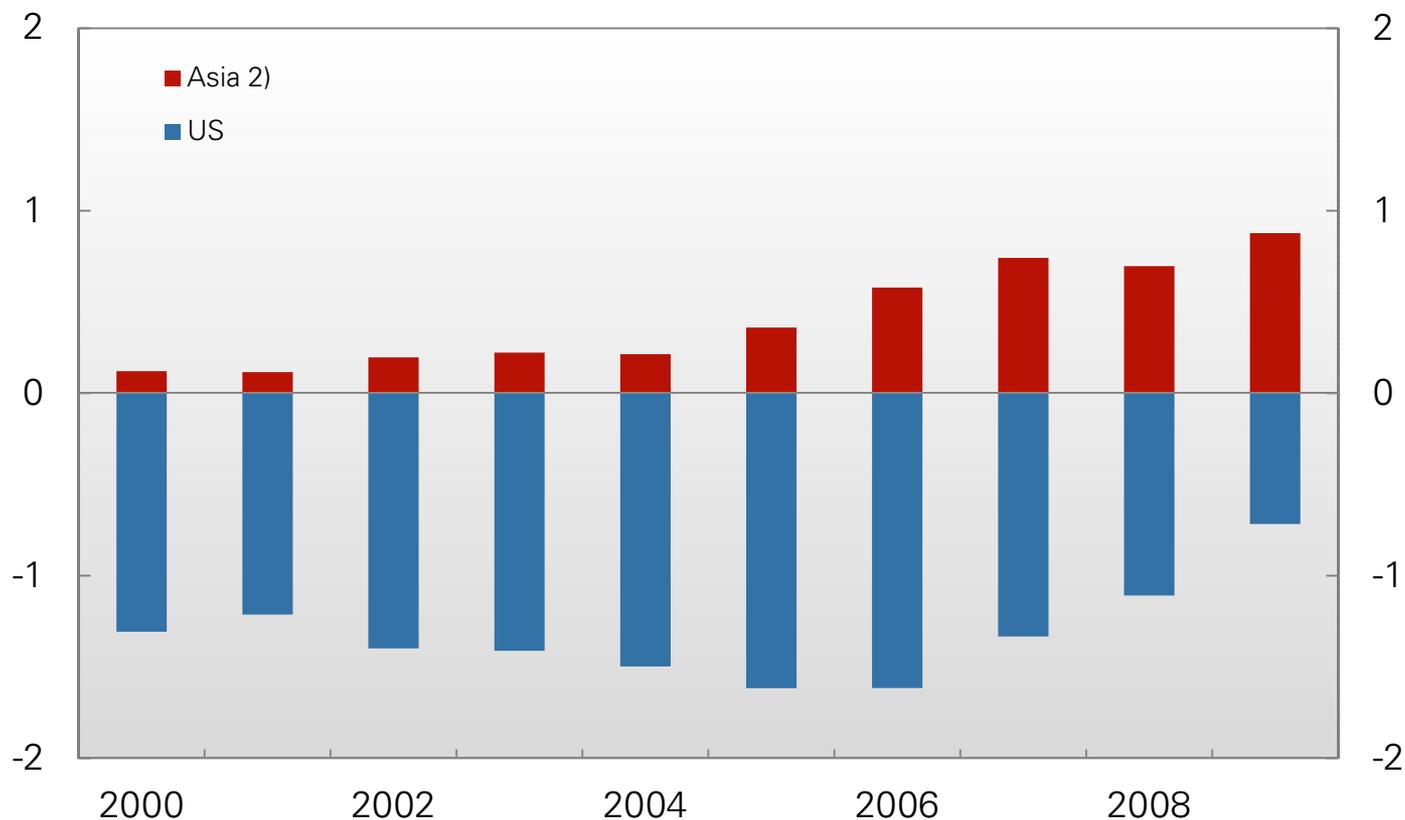


## Economic perspectives

Address by Governor Svein Gjedrem to the Supervisory Council of Norges Bank and invited guests on Thursday 11 February 2010

Charts

**Chart 1** Current account. As a percentage of world GDP.  
2000 - 2009<sup>1)</sup>

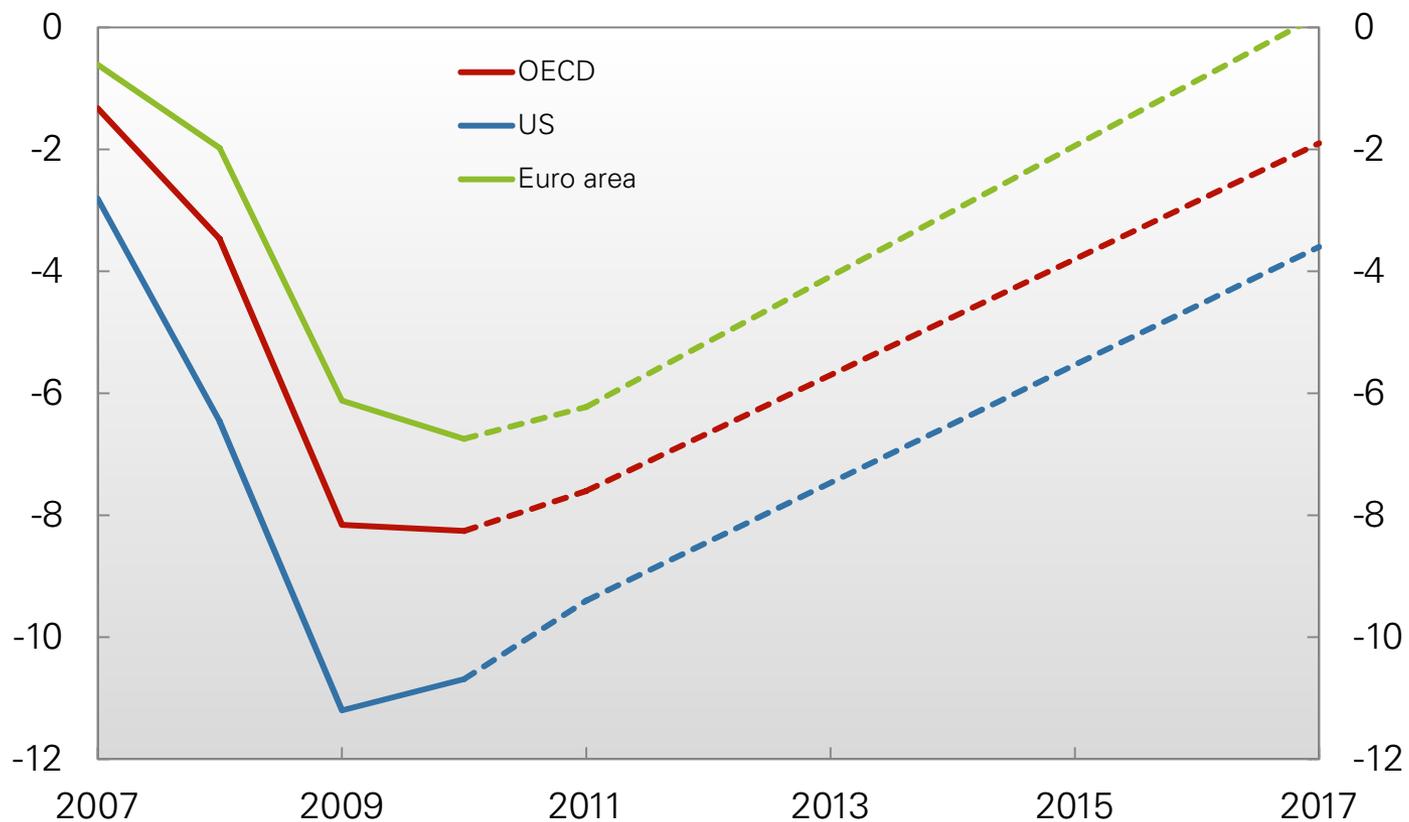


1) IMF's estimates for 2009

2) Bangladesh, Bhutan, Cambodia, China, Fiji, India, Indonesia, Kiribati, Lao People's Democratic Republic, Malaysia, Maldives, Myanmar, Nepal, Pakistan, Papua New Guinea, Philippines, Samoa, Solomon Islands, Sri Lanka, Thailand, Tonga, Vanuatu and Vietnam

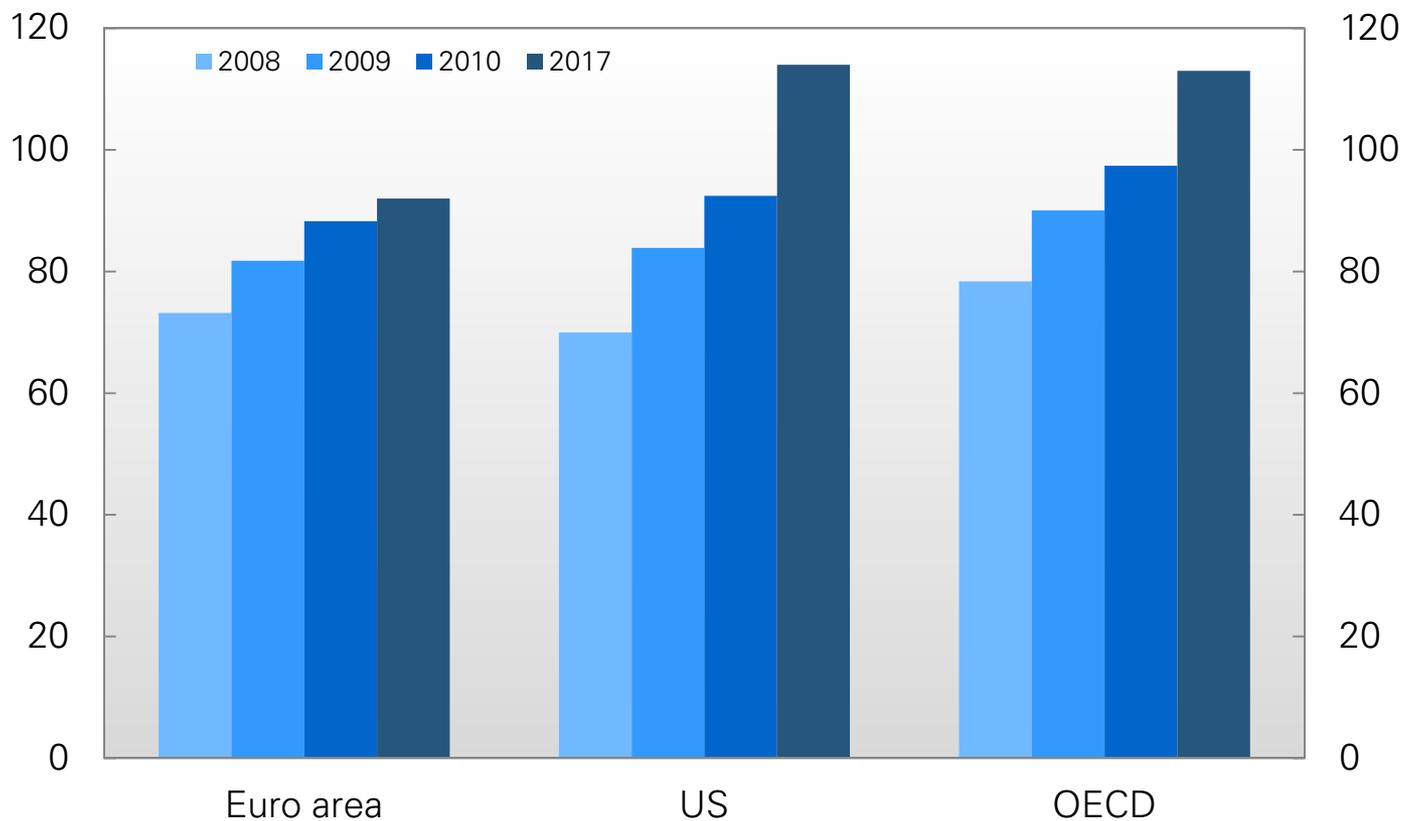
Sources: IMF World Economic Outlook Database April 2009 and Norges Bank

**Chart 2** General government financial balances. As a percentage of GDP.  
2007 – 2017<sup>1)</sup>



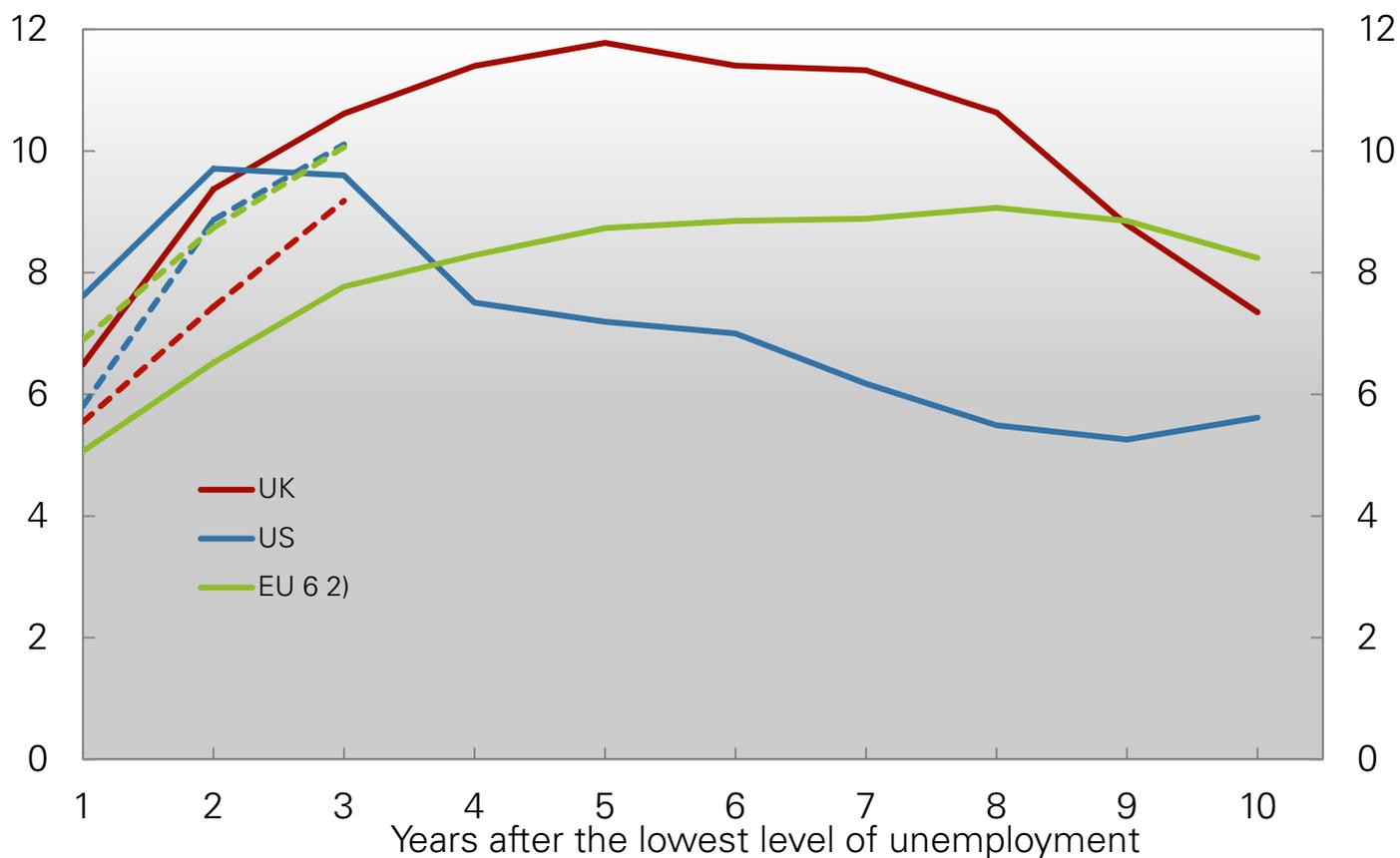
1) Estimates for 2009-2011 and 2017  
Source: OECD Economic Outlook 86

Chart 3 Government debt. As a percentage of GDP. 2008 – 2017<sup>1)</sup>



1) Estimates for 2009, 2010 and 2017  
Source: OECD Economic Outlook 86

**Chart 4 Unemployment. Developments in recessions. Per cent.**  
 From the 1980s (solid lines) and 2008 - 2010 (dotted lines)<sup>1)</sup>

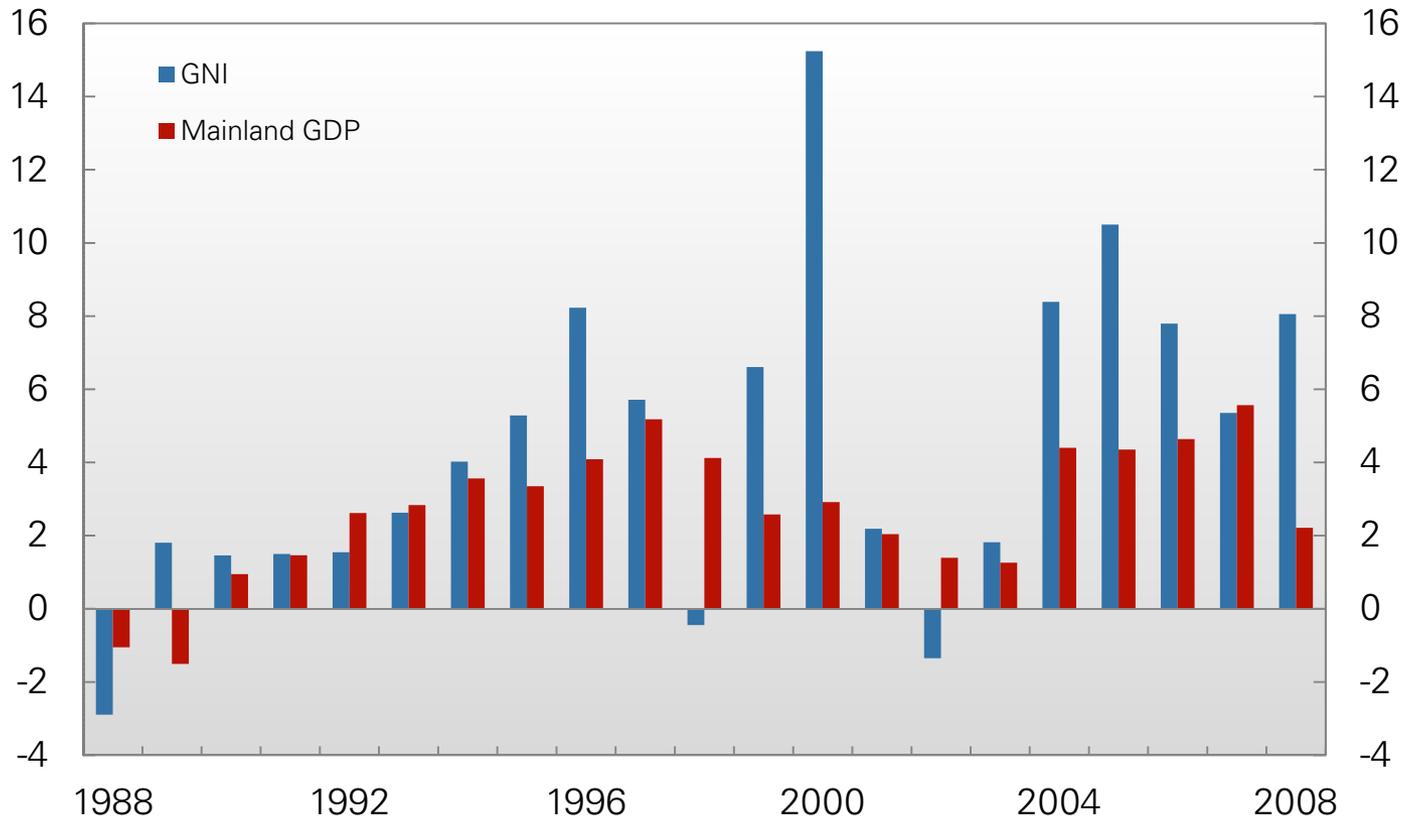


1) Estimates for 2009 and 2010

2) Belgium, France, Germany, Italy, Luxembourg and the Netherlands. GDP-weighted

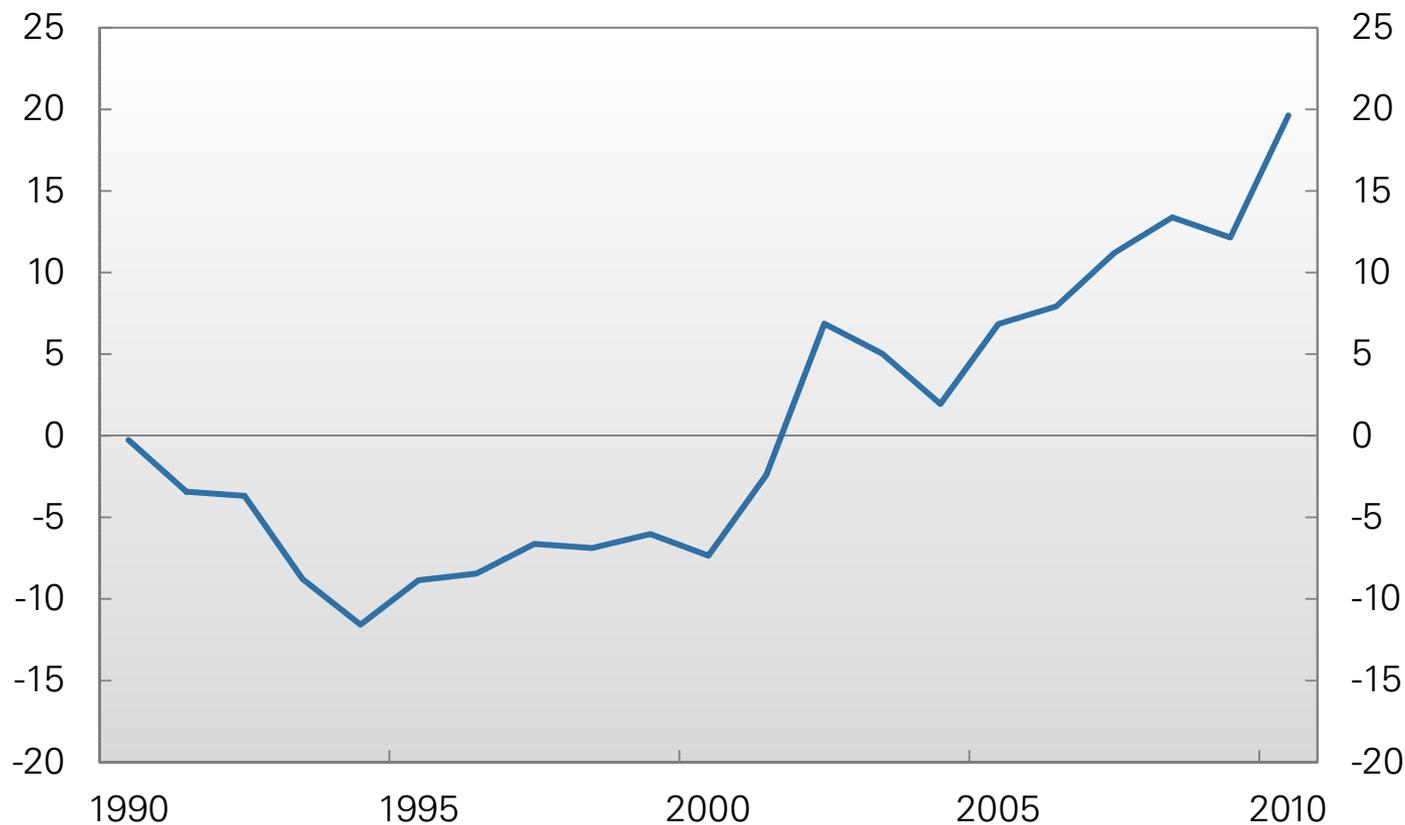
Sources: IMF World Economic Outlook Database April 2009 and Norges Bank

**Chart 5** Growth in Gross National Income and Gross Domestic Product for Norway.  
Per cent. 1988 - 2008



Sources: Statistics Norway and Norges Bank

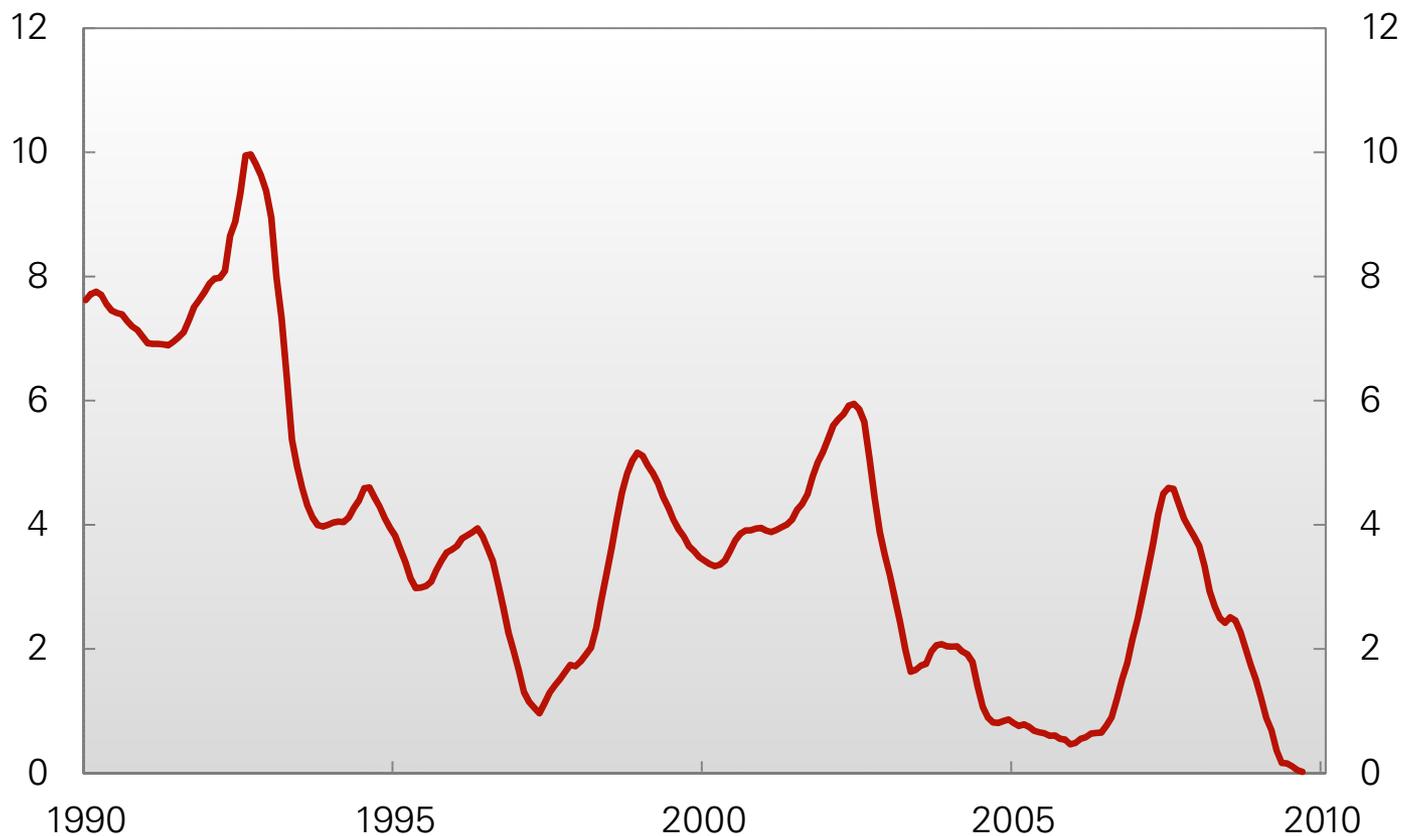
**Chart 6** Relative labour costs. Deviation from the average for the period 1970 – 2009. Per cent. 1990 – 2010<sup>1)</sup>



1) The figure for 2010 is the average for the period 1 January - 9 February 2010. A rising curve indicates weaker competitiveness

Sources: Statistics Norway, Technical Reporting Committee on Income Settlements, Ministry of Finance and Norges Bank

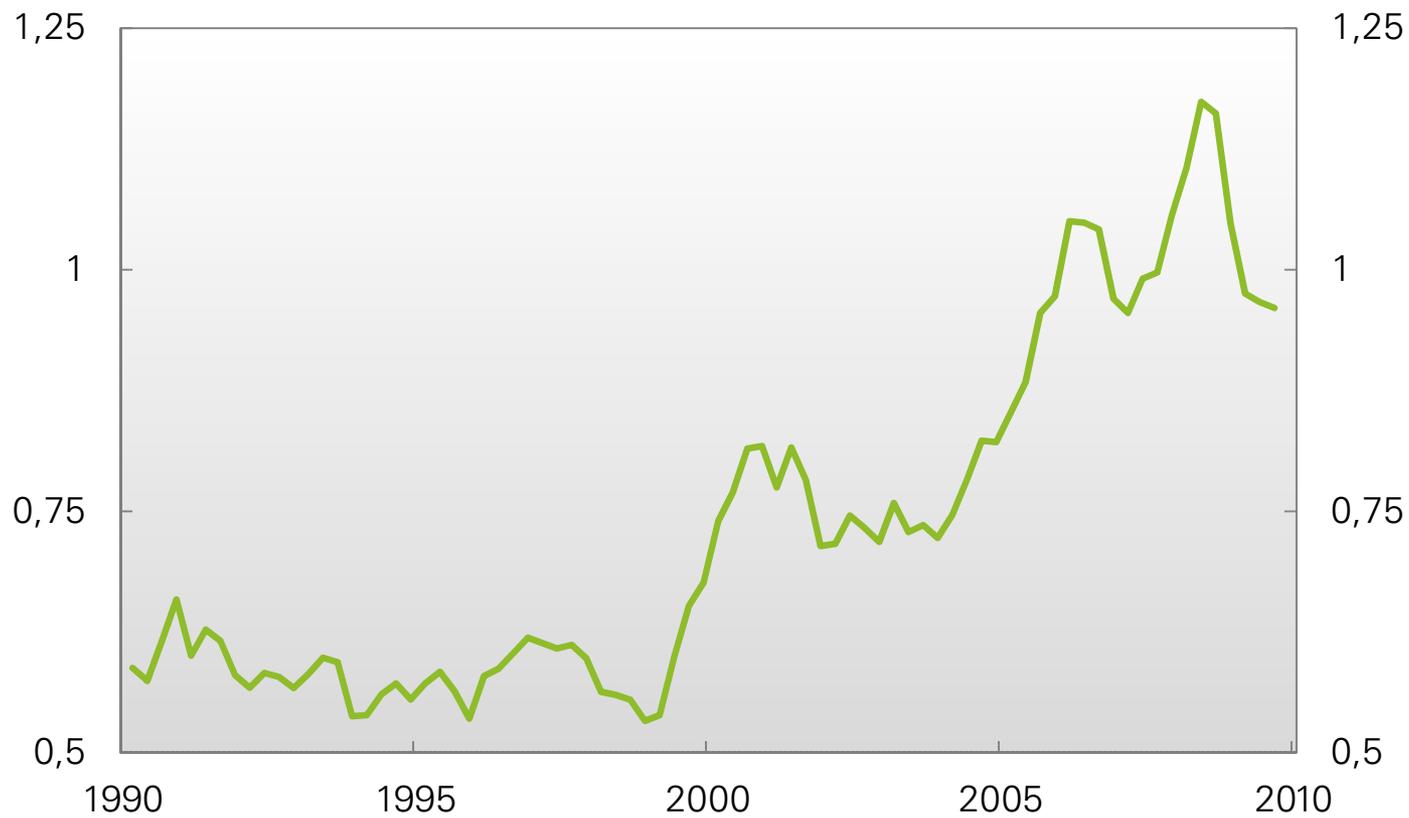
**Chart 7** Real interest rate.<sup>1)</sup> Nine-month centred moving average. Per cent  
January 1990 – September 2009



1) Three-month money market rate deflated by the CPI

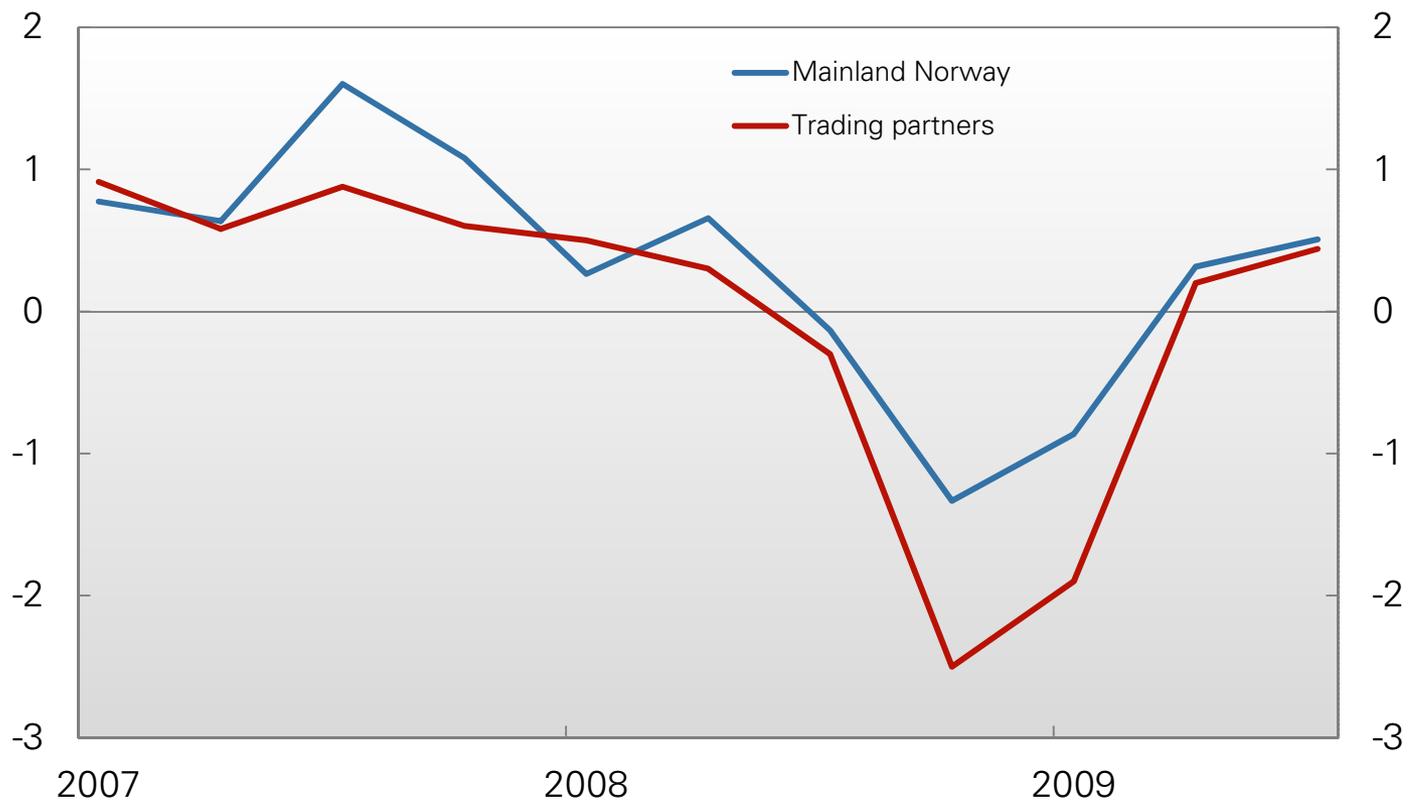
Source: Statistics Norway and Norges Bank

Chart 8 Terms of trade. Index, 2007 = 1. 1990 Q1– 2009 Q3



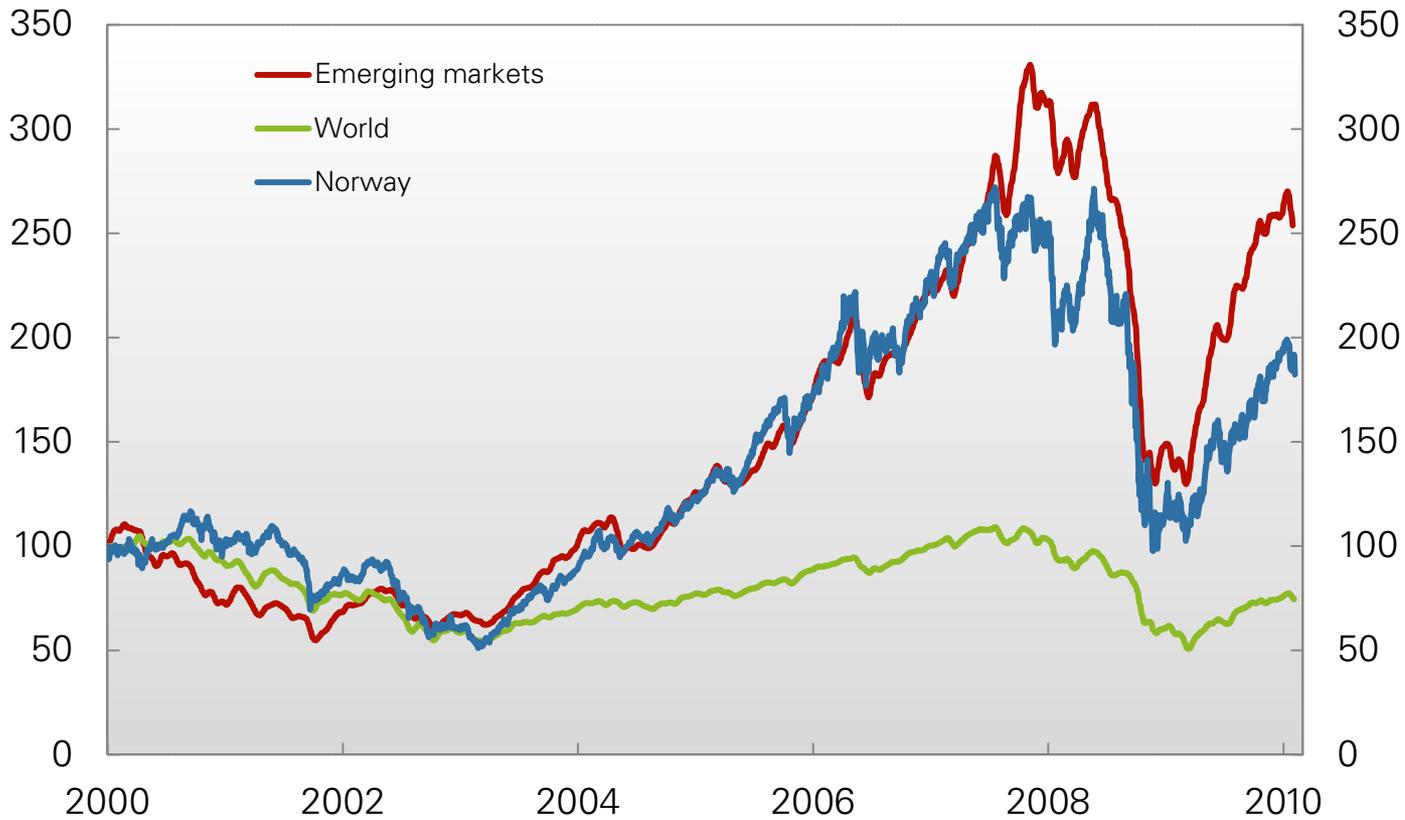
Source: Statistics Norway

**Chart 9** GDP growth on previous quarter. Norway and trading partners.  
Seasonally adjusted. Per cent. 2007 Q1 – 2009 Q3



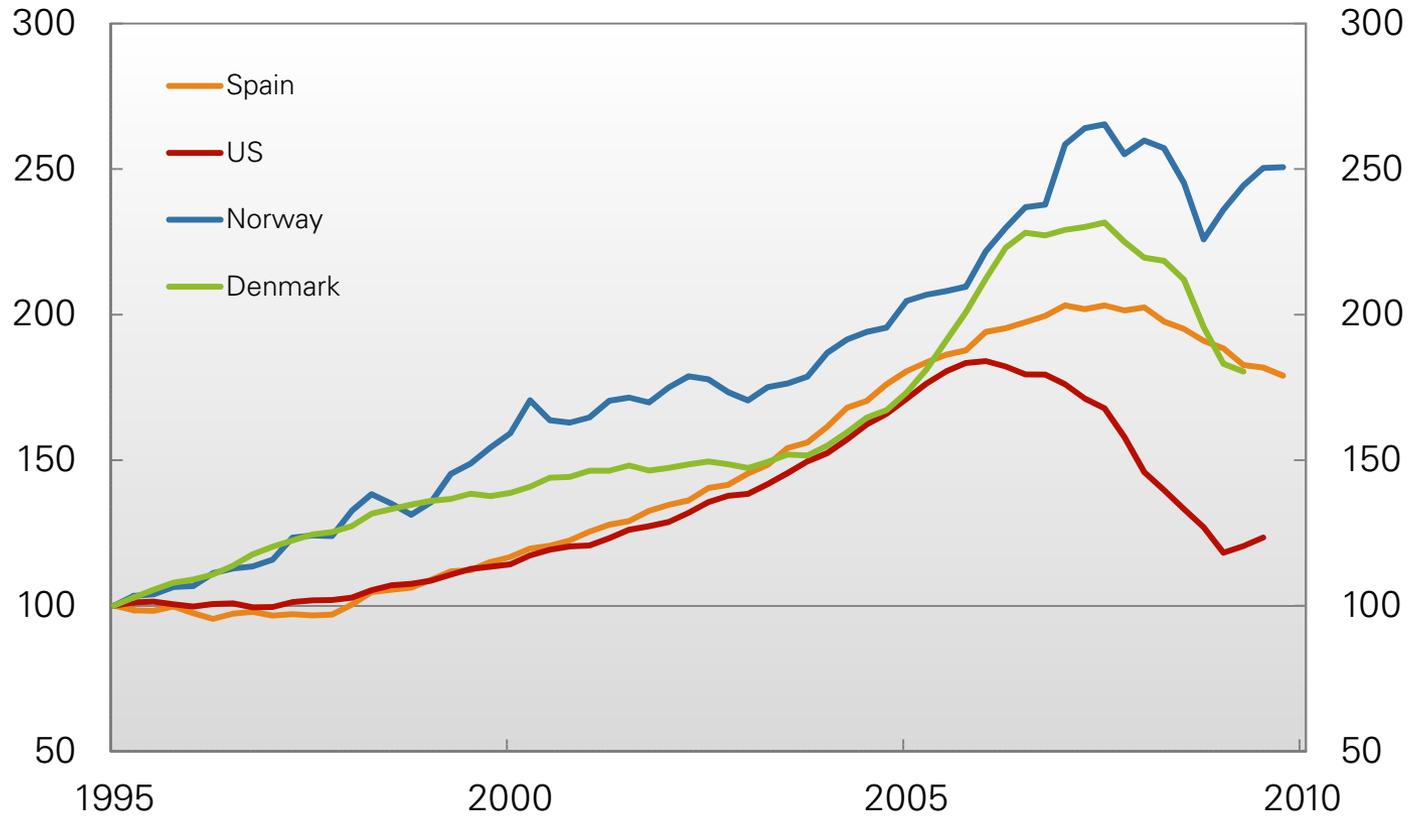
Sources: Statistics Norway and Norges Bank

**Chart 10** Equity prices. Index, 3 January 2000 = 100  
3 January 2000 – 29 January 2010



Source: Thomson Reuters

**Chart 11** Real house prices.<sup>1)</sup> Index, 1995 Q1 = 100  
1995 Q1 – 2009 Q4<sup>2)</sup>



1) Deflated by the CPI

2) US to 2009 Q3. Denmark to 2009 Q2

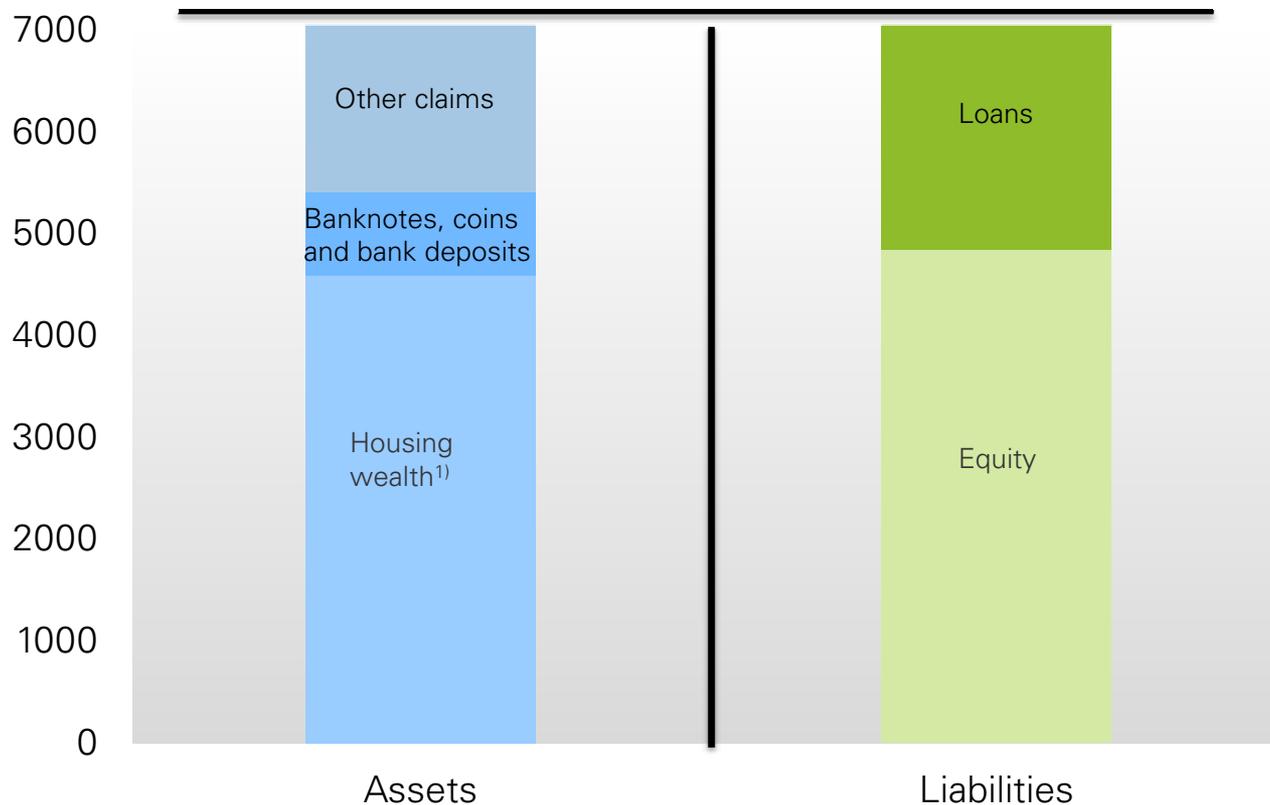
Kilde: Ecwin

**Table 1** Return on alternative investments

	Invest in housing	Repay debt	Invest in business
Before tax	4.0%	4.0%	4.0%
After tax			
- without wealth tax	4.0%	2.9%	2.9%
- with wealth tax	3.7%	1.8%	1.8%

Source: Norges Bank. See Staff Memo 2010/1 from Norges Bank

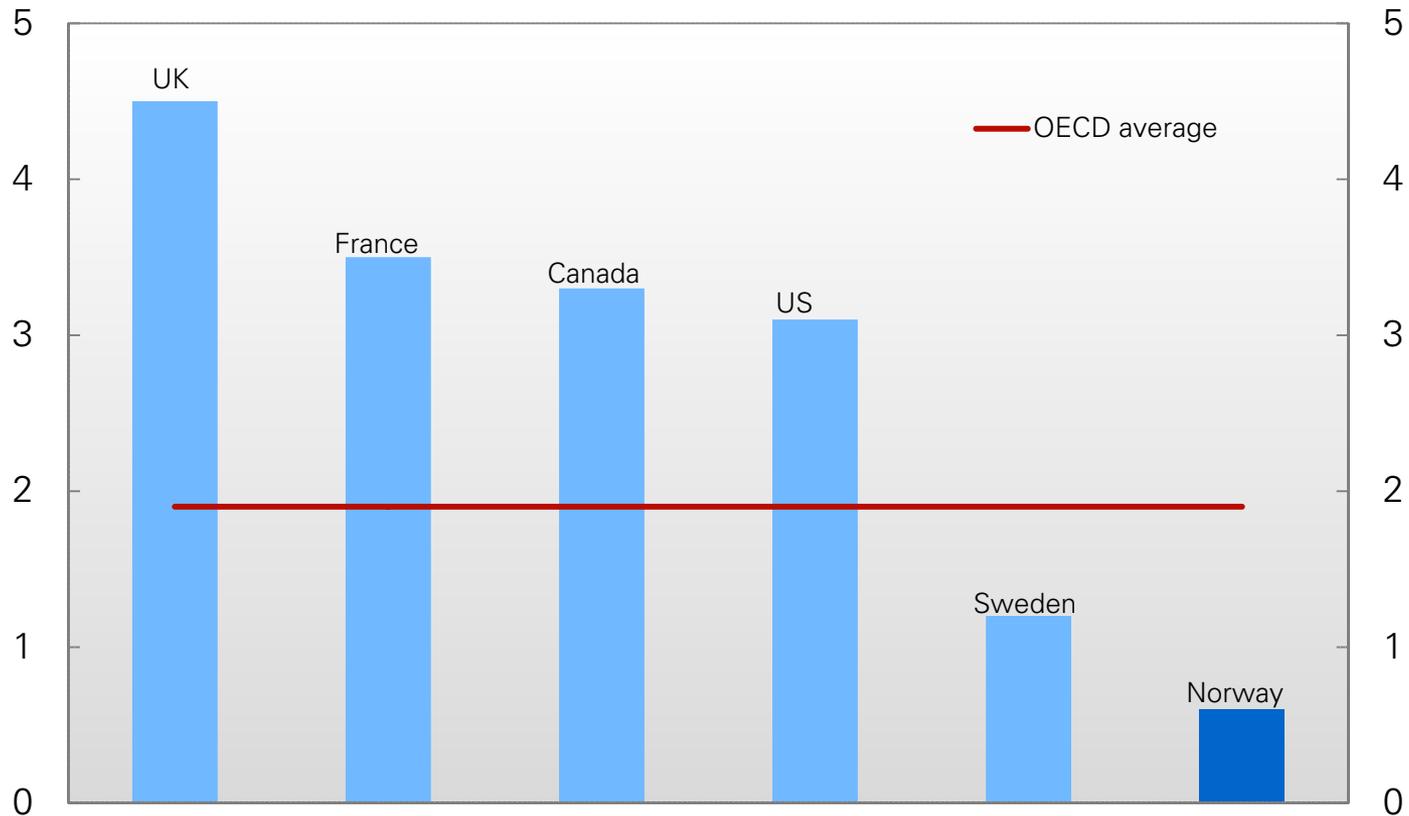
Chart 12 Household wealth and debt as per 2009 Q3. In billions of NOK



1) Norges Bank's estimates

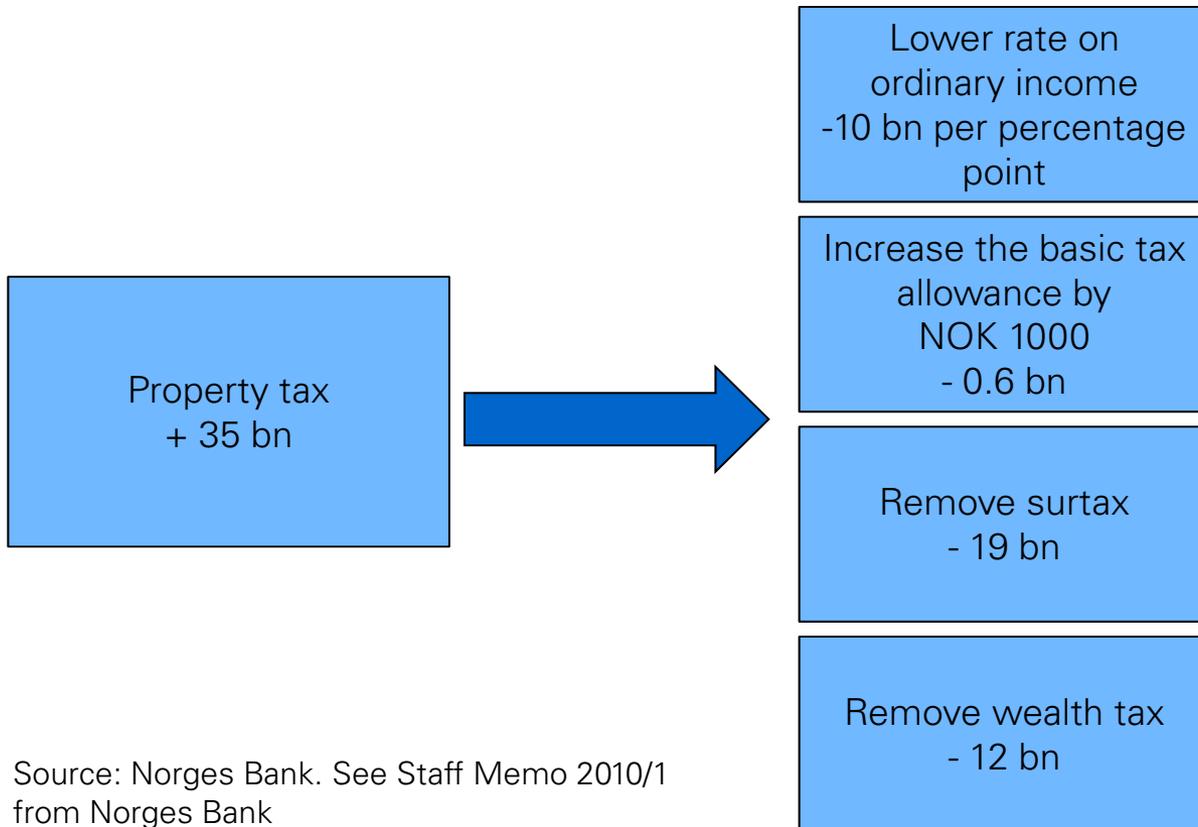
Sources: Statistics Norway and Norges Bank

Chart 13. Taxes on property. As a percentage of GDP. 2007



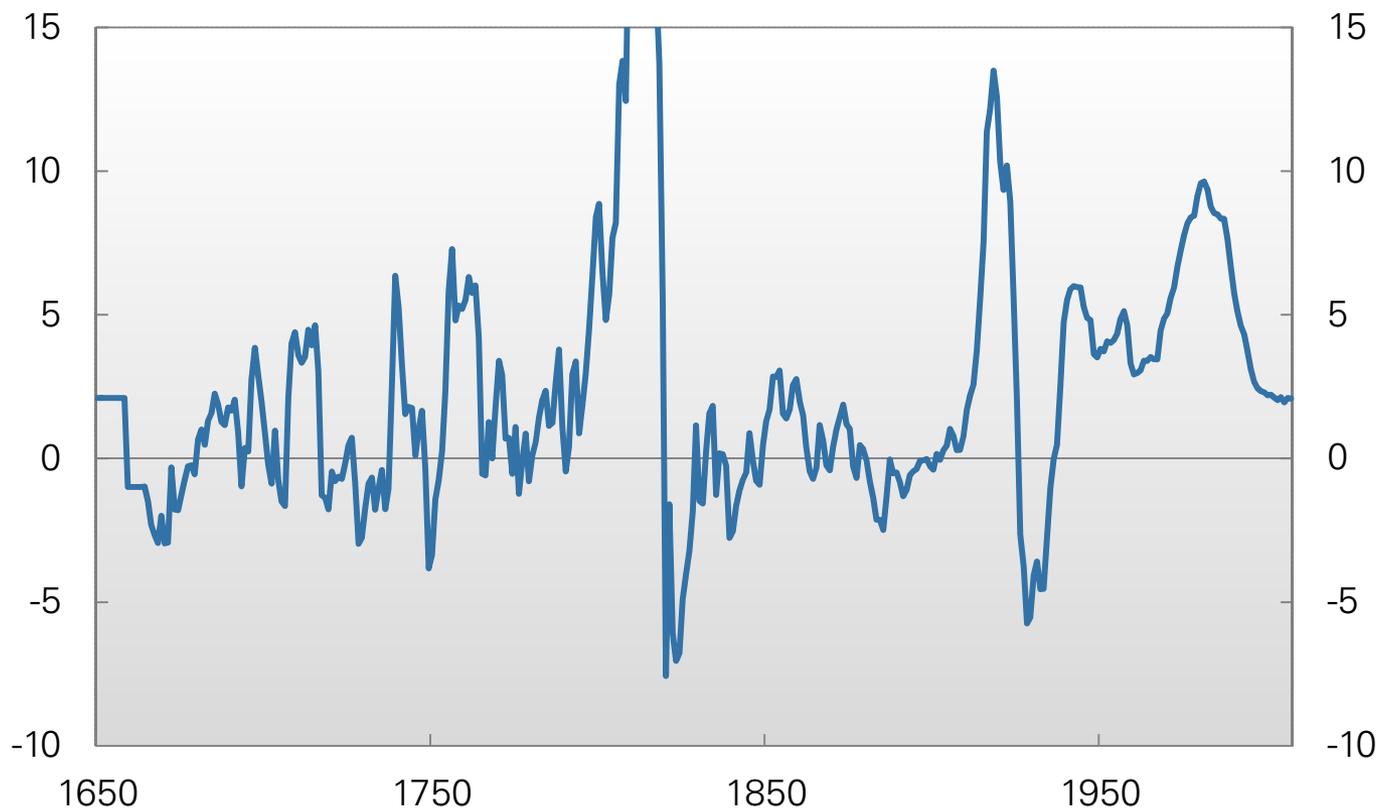
Sources: OECD Revenue Statistics 2009 and Norges Bank. See Staff Memo 2010/1 from Norges Bank

Chart 14 Menu for changes in the tax system



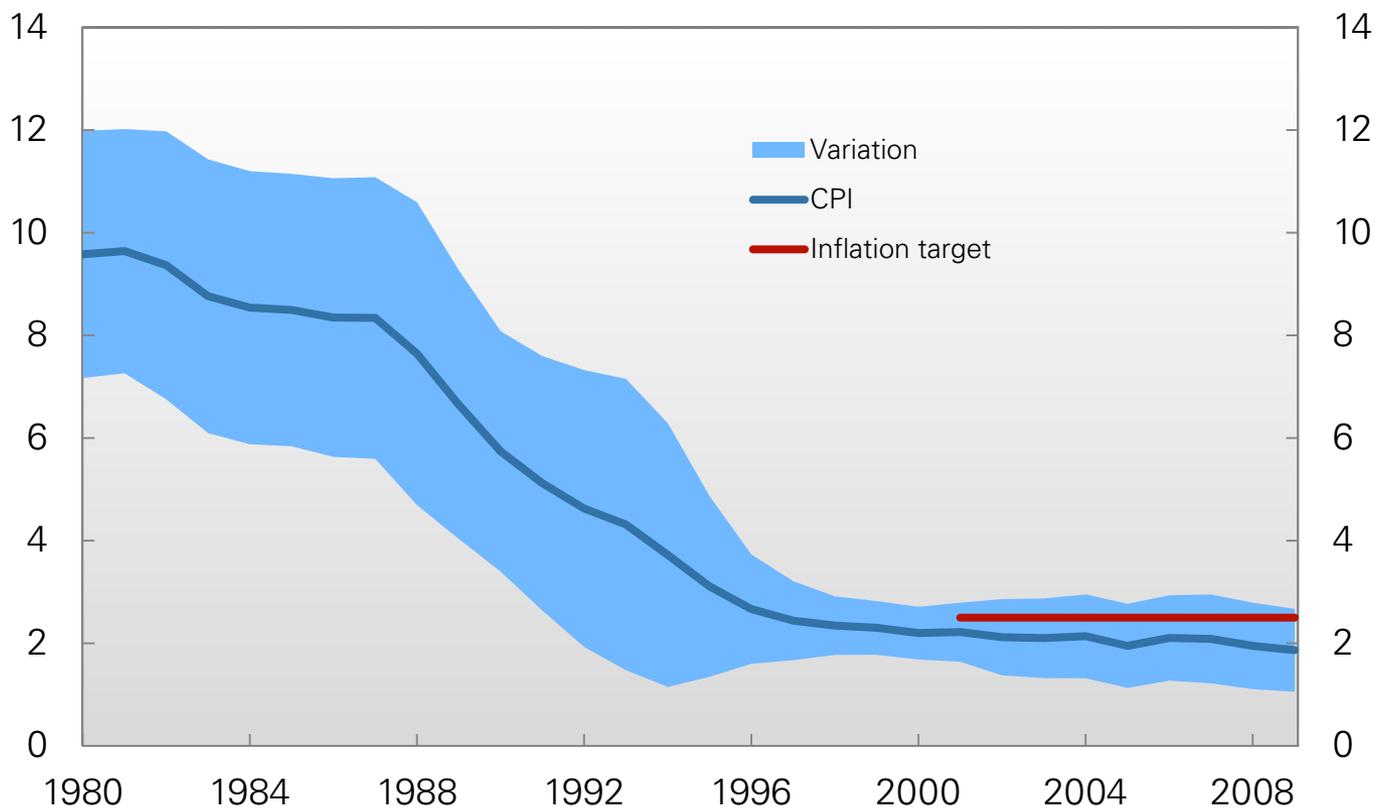
Source: Norges Bank. See Staff Memo 2010/1 from Norges Bank

Chart 15 Inflation in Norway.<sup>1)</sup> Per cent. 1650 - 2007



1) Moving average. Calculated 7 years back and 2 years ahead  
Source: Norges Bank

**Chart 16 Inflation. Moving 10-year average<sup>1)</sup> and variation<sup>2)</sup> in the CPI<sup>3)</sup>.**  
Per cent. 1980 - 2009



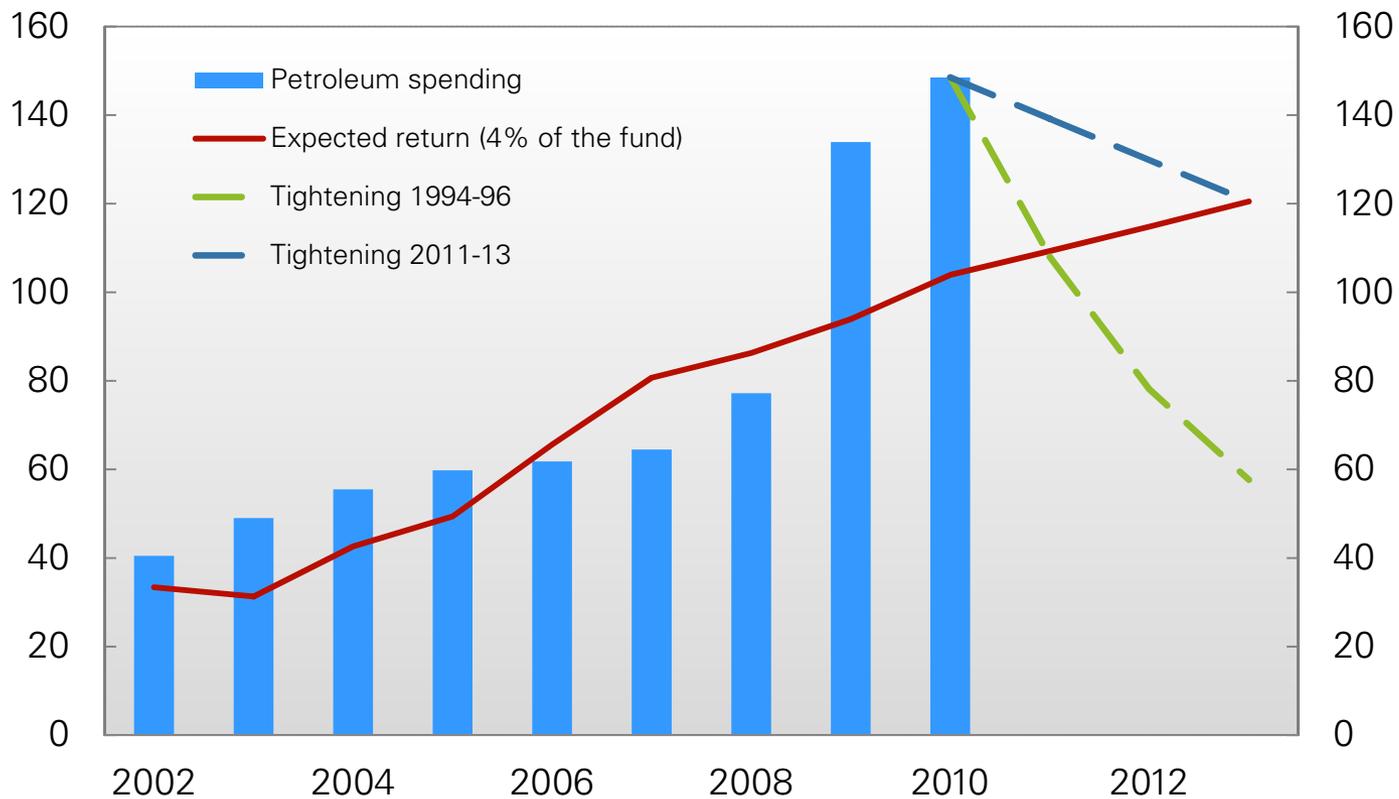
1) The moving average is calculated 7 years back and 2 years ahead

2) The band around the CPI is the variation in the CPI adjusted for tax changes and excluding energy products in the average period, measured by +/- one standard deviation

3) Projections for 2009 - 2011 from MPR 3/09 form the basis for this estimate

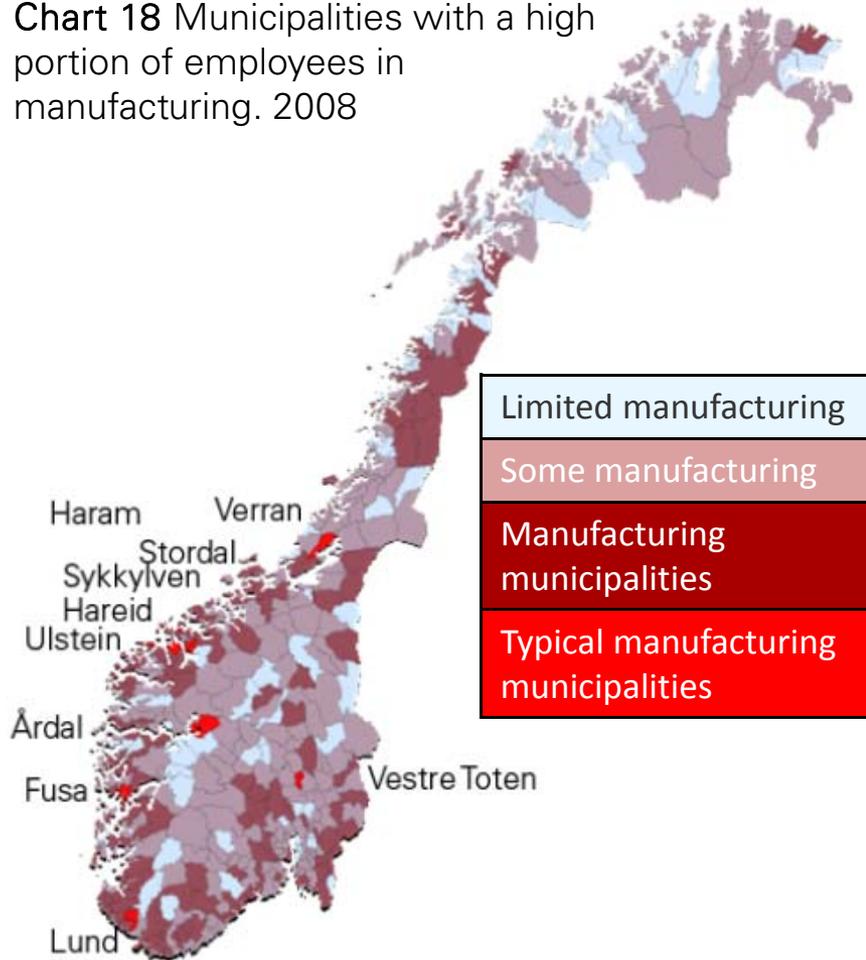
Sources: Statistics Norway and Norges Bank

Chart 17 The fiscal rule. In billions of NOK. 2002 - 2013



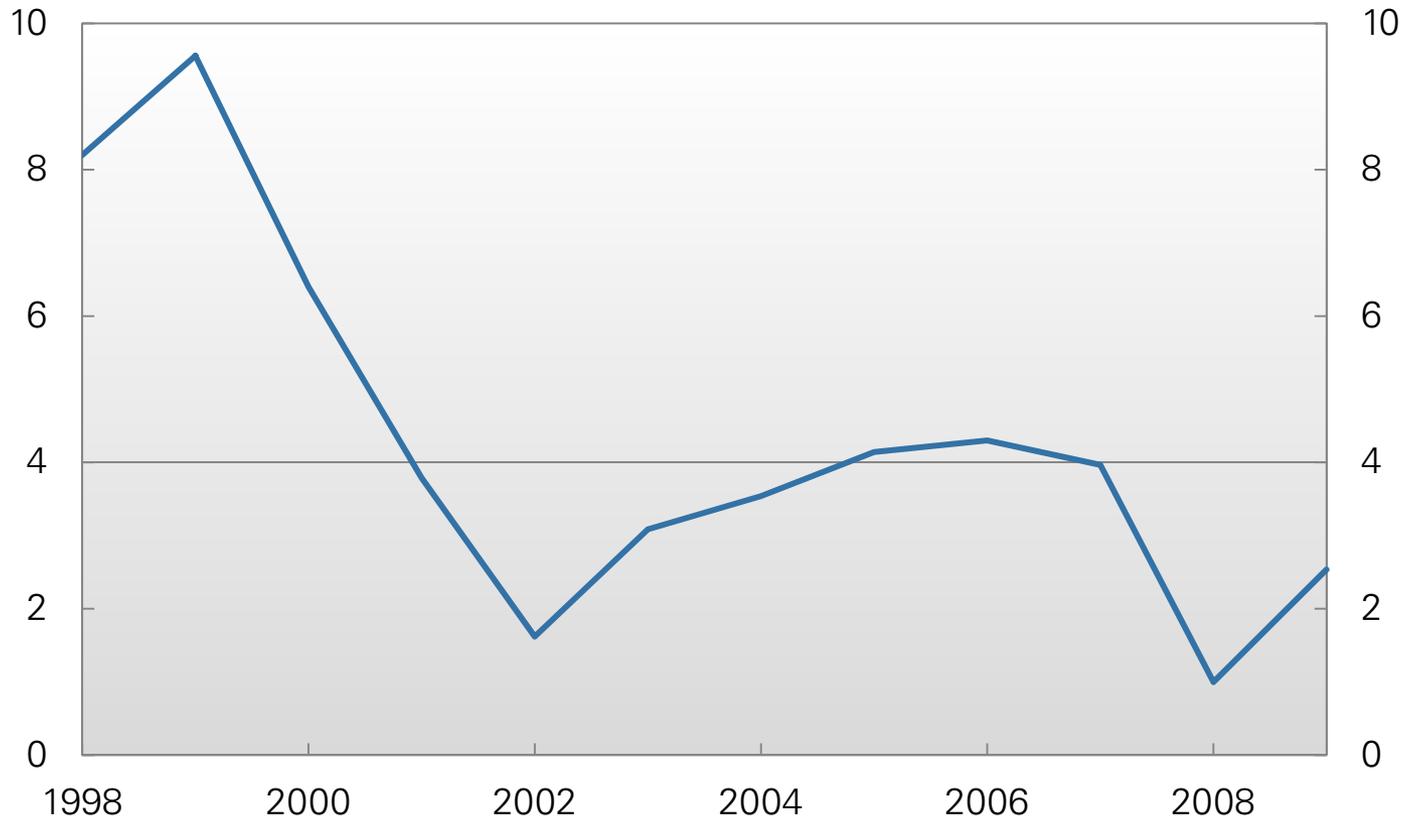
Sources: Ministry of Finance and Norges Bank. See Staff Memo 2010/1 from Norges Bank

**Chart 18** Municipalities with a high portion of employees in manufacturing. 2008



Sources: Statistics Norway and Norges Bank

**Chart 19** Average return since 1998 on the Government Pension Fund Global.  
1998 – 2009<sup>1)</sup>



1) To the end of 2009 Q3  
Source: Norges Bank