

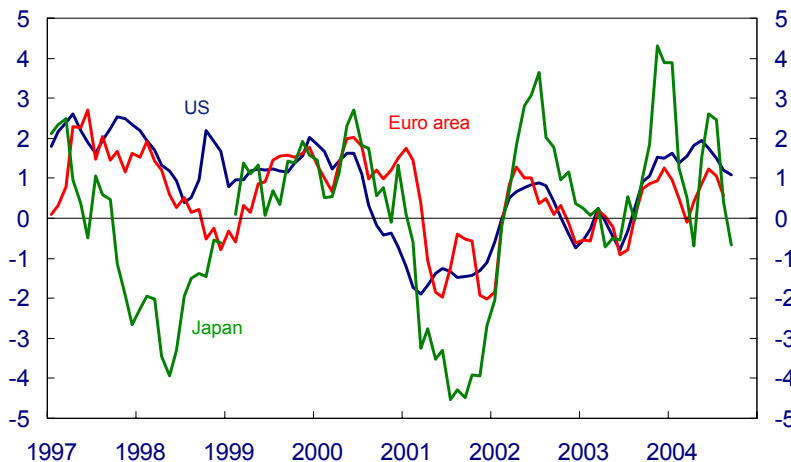
Executive Board meeting

3 November 2004

Economic developments

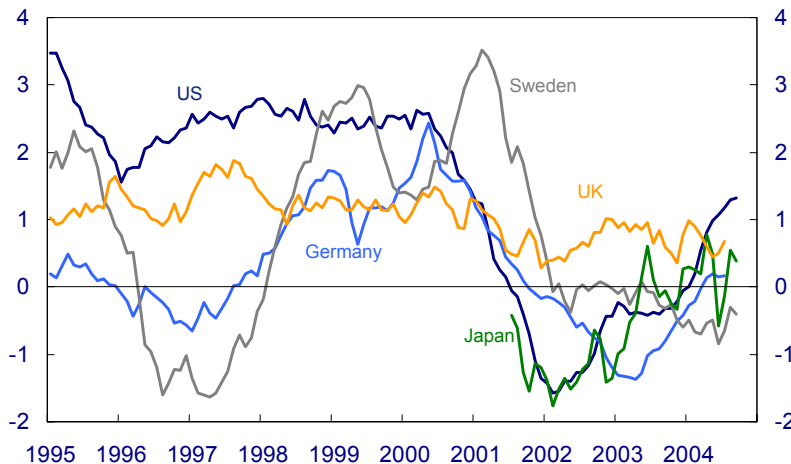
Industrial output in the US, Japan and the euro area

Three-month moving average. Seasonally adjusted. Volume



Sources: EcoWin/Federal Reserve Board, Ministry of Economy, Trade and Industry and EUR-OP/EUROSTAT

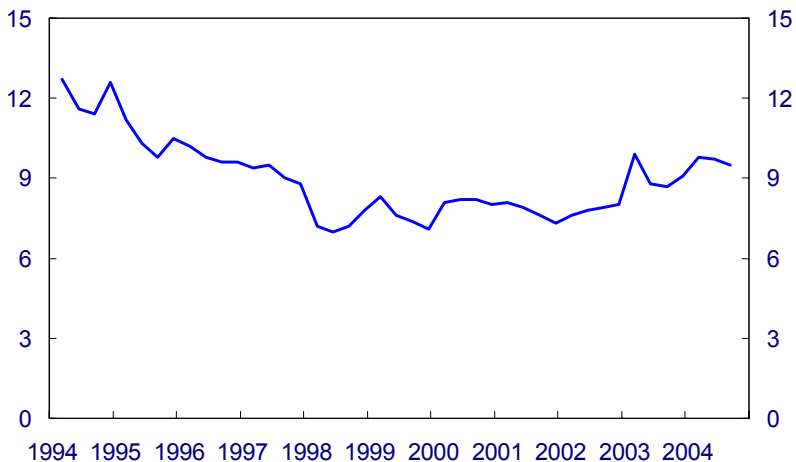
Employment in the US, Japan, Germany, the UK and Sweden. 12-month rise



Source: EcoWin/National statistics

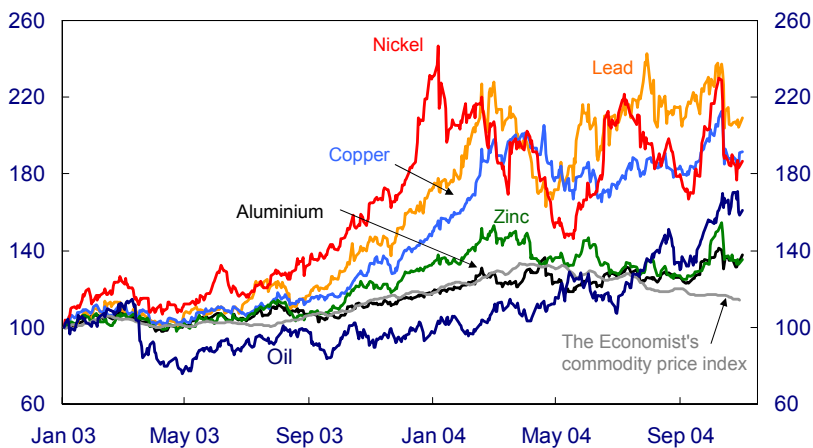
China - GDP

So far this year. Percentage change on same month previous year



Source: EcoWin / National Bureau of Statistics China 5

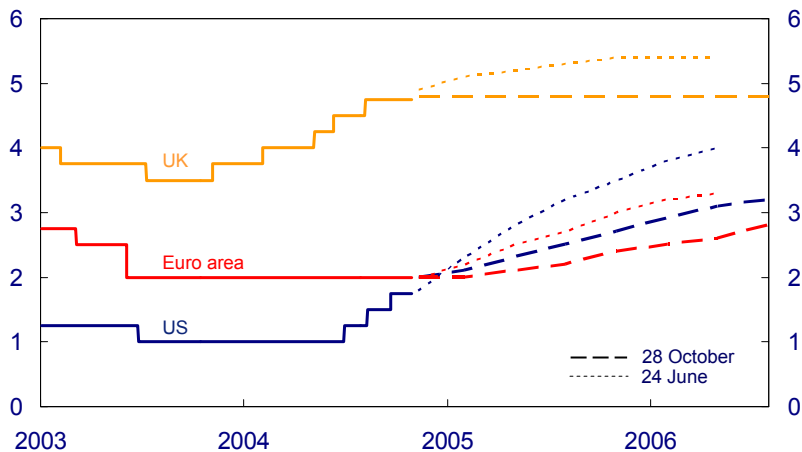
Prices for some important commodities, measured in USD. Index. 2.1.2003 = 100. Daily figures



Sources: Norges Bank and Ecwin/ London Metal Exchange, The Economist 6

Interest rate expectations

Actual developments and expected key rate¹⁾ at 24 June and 28 October 2004. 2 January 2003 – 1 August 2006

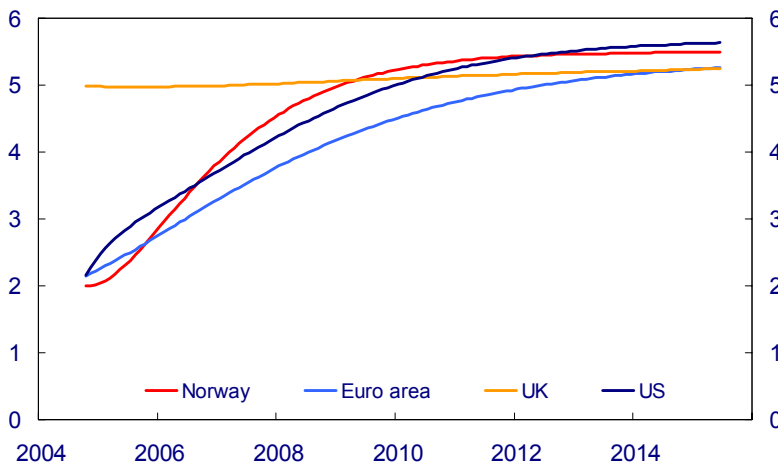


¹⁾ FRA and futures contracts adjusted for the estimated difference between 3-month money market rates and the key rate.

Sources: Bloomberg, Reuters and Norges Bank

Forward interest rates

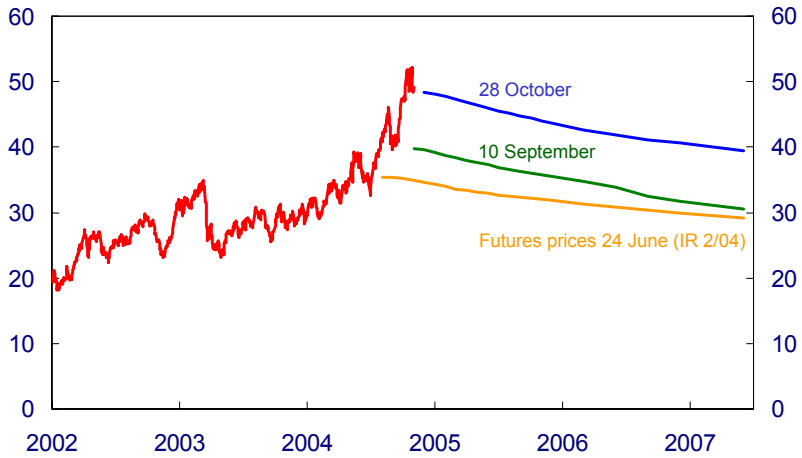
29 October 2004. Implied short-term forward rates



Source: Norges Bank

Oil price Brent Blend

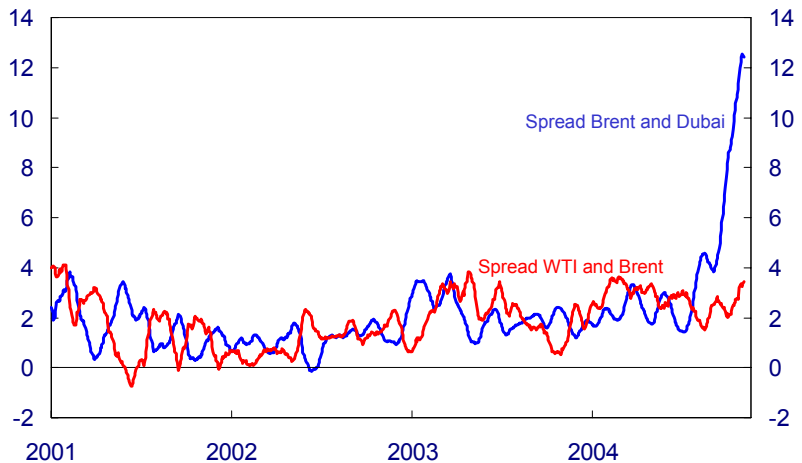
USD per barrel. Daily figures



Sources: Norges Bank, Telerate and IPE 9

Spread Brent-Dubai and WTI-Brent

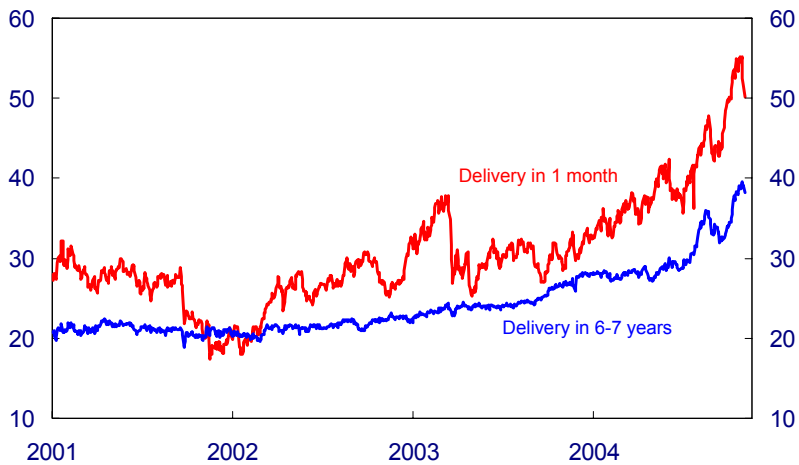
14-day moving average. USD per barrel



Sources: EcoWin AB 10

Oil futures prices

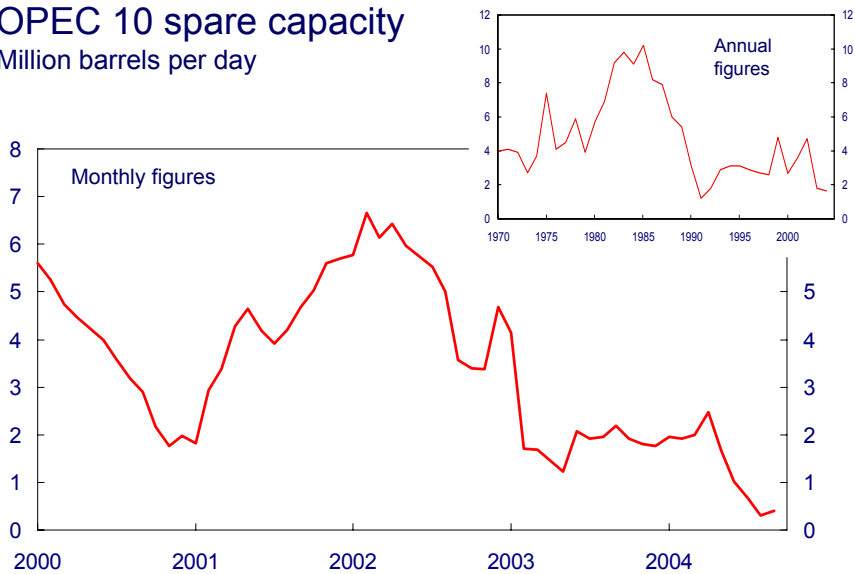
USD per barrel light crude. Daily figures



Sources: Norges Bank and EcoWin/NYMEX 11

OPEC 10 spare capacity

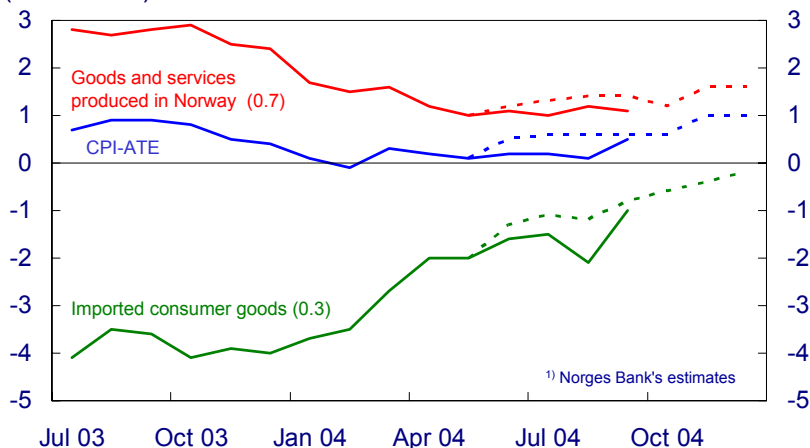
Million barrels per day



Sources: EIA (annual figures) and IEA (monthly figures) 12

CPI-ATE

Total and broken down into imported and domestically produced goods and services¹⁾. Historical price inflation and projections IR 2/04 (broken line). 12-month rise. Per cent



Sources: Statistics Norway and Norges Bank 13

Developments in the krone exchange rate¹⁾ (I-44)

Daily figures. 1 January 2002 – 1 November 2004

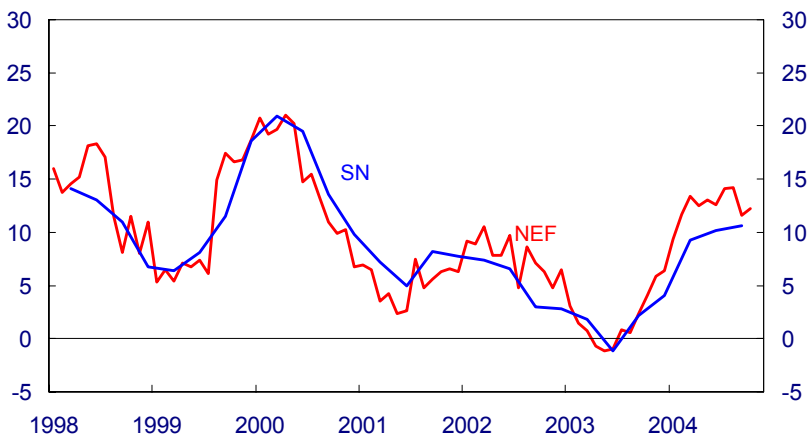


¹⁾A rising curve denotes a stronger krone exchange rate

Source: Norges Bank 14

House prices

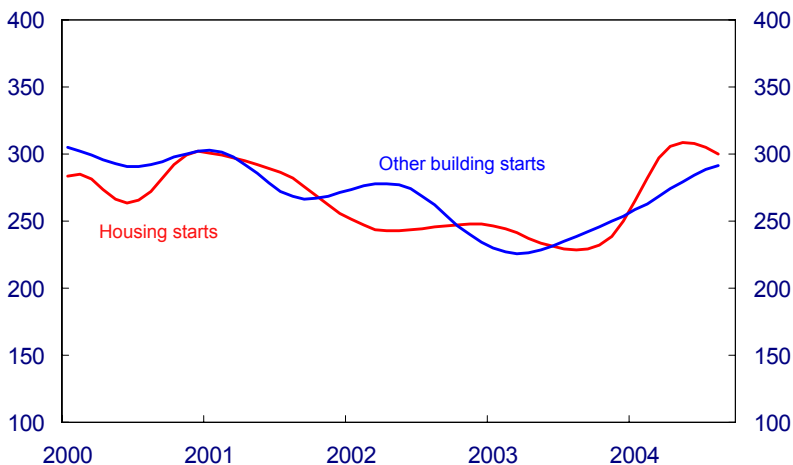
NEF/ECON (January 1998–October 2004) and SN (98 Q1– 04 Q3).
 Percentage rise on same period previous year



Sources: Statistics Norway (SN), Norw. Association of Real Estate Agents (NEF), Association of Real Estate Agency Firms 15

Building starts - dwellings and other buildings

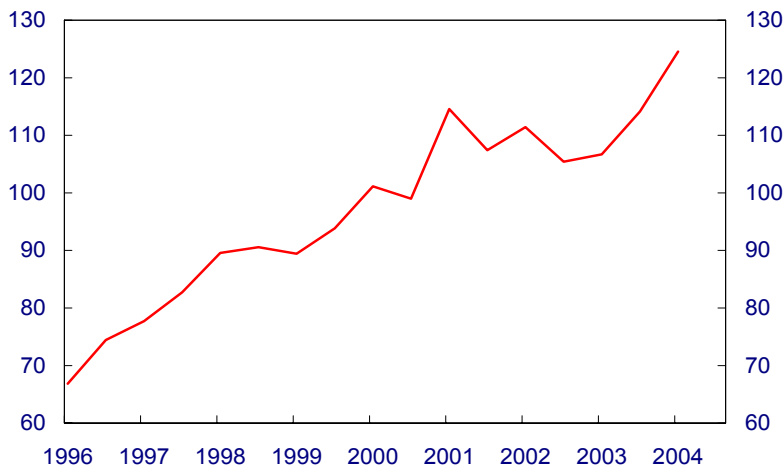
1000 m² per month. Trend. January 2000 - August 2004



Source: Statistics Norway 16

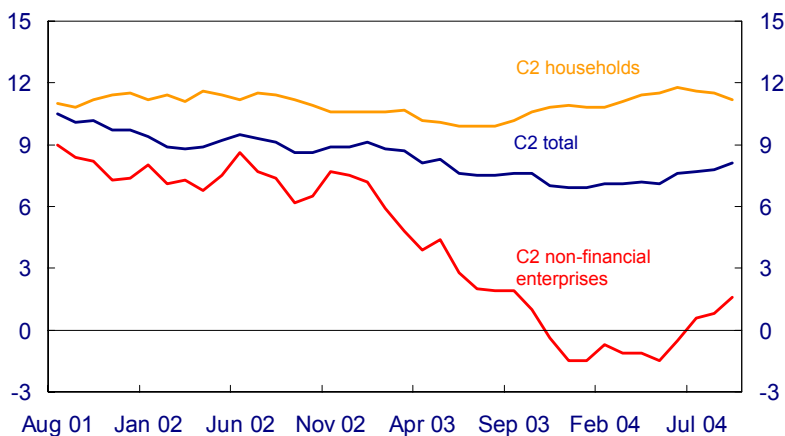
Price index for office and commercial property

Index 2000 = 100. 1st half of 1996 – 1st half of 2004



Source: Statistics Norway 17

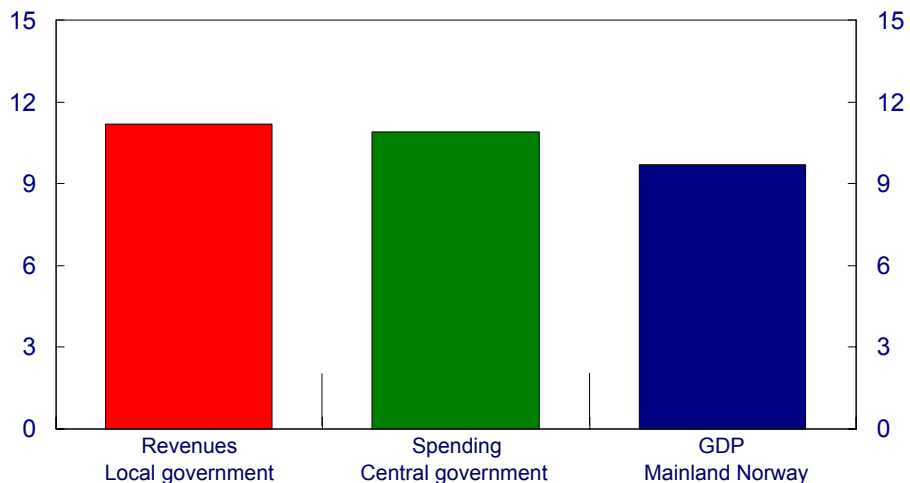
Credit from domestic sources to households and non-financial enterprises (C2). Percentage growth on same month previous year. August 2001 – September 2004



Source: Norges Bank 18

Local government revenues, underlying spending growth over the central government budget and mainland GDP

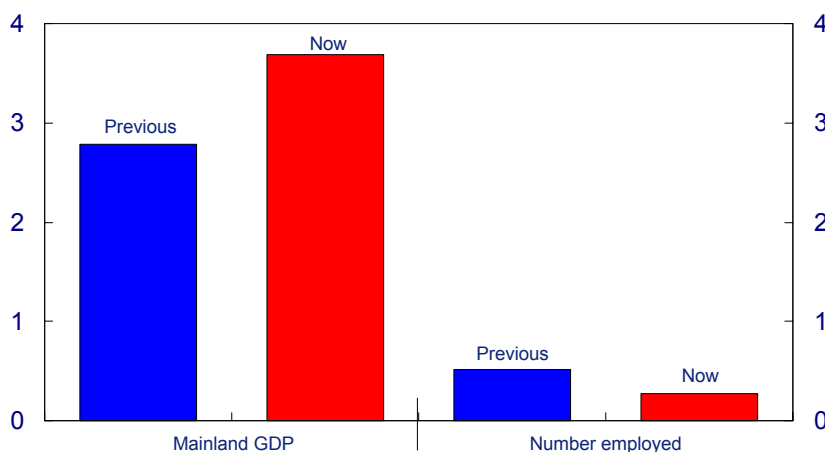
Percentage change in value from 2003 to 2005



Source: National Budget 2005 19

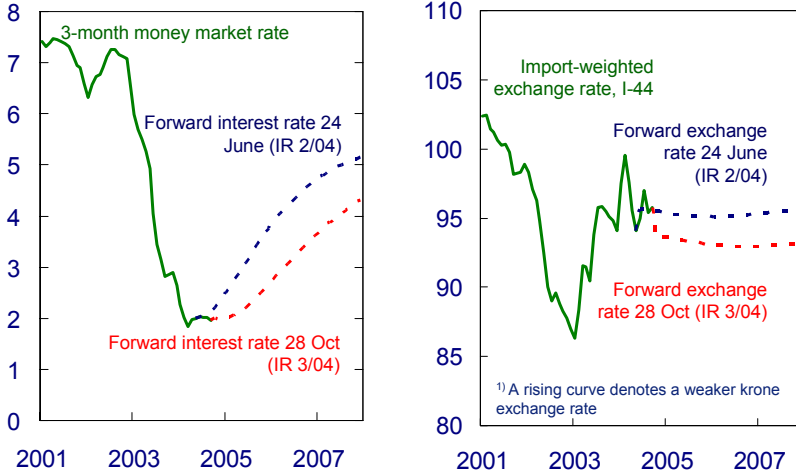
Developments in employment and output four quarters after the start of a cyclical upturn¹⁾. Mainland Norway. Per cent

four quarters after the start of a cyclical upturn¹⁾. Mainland Norway. Per cent



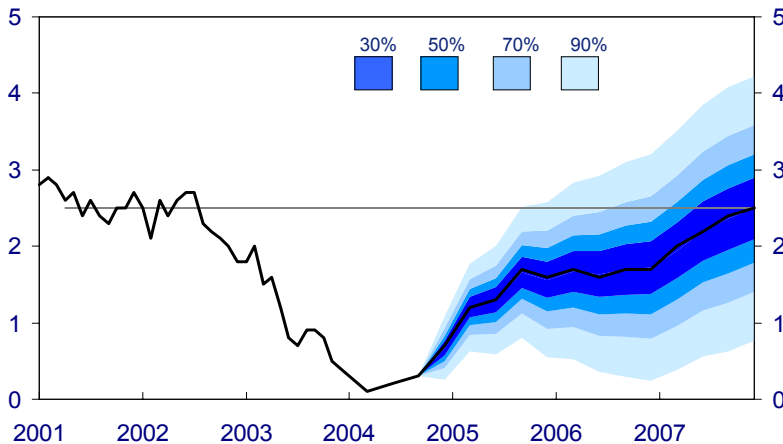
¹⁾ We have assumed that the previous cyclical upturns began in 1982 Q4 and 1991 Q4. The current cyclical upturn started in 2003 Q2.

Assumptions for money market rates and the krone exchange rate I-44¹⁾ (forward interest rate and forward exchange rate)



Source: Norges Bank 21

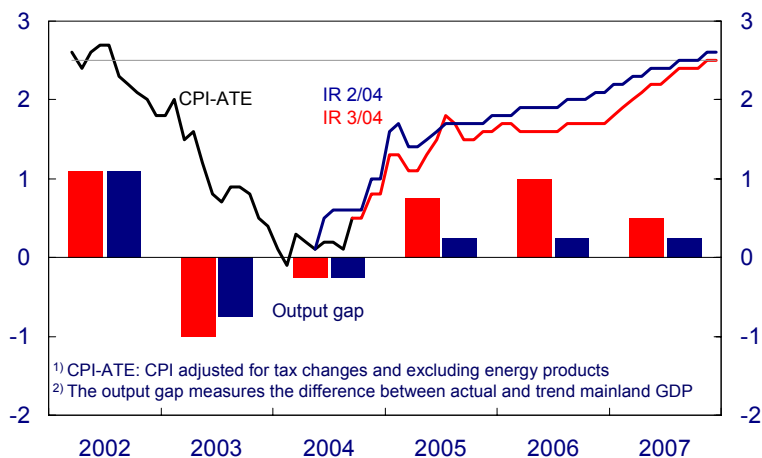
Projections and uncertainty for CPI-ATE¹⁾ 12-month rise. Per cent. January 2001– December 2007



¹⁾ The bands in the fan indicate different probabilities for developments in the CPI-ATE.

Projections for the CPI-ATE¹⁾ and the output gap²⁾

Inflation Report 2/04 (blue) and 3/04 (red). Per cent



¹⁾ CPI-ATE: CPI adjusted for tax changes and excluding energy products

²⁾ The output gap measures the difference between actual and trend mainland GDP

Sources: Statistics Norway and Norges Bank 23

Projections for main macroeconomic aggregates IR 3/04

	2004	2005	2006	2007
Mainland demand	4¼	4	3½	2¼
Private consumption	5	4½	3¾	2½
Public consumption	2	1¾	1½	1½
Gross investment	5¾	5	5	2¾
Petroleum investment	12½	15	5	-7½
Traditional exports	4	4½	3	3
Imports	8½	6	4	1¾
Mainland GDP	3¾	3½	2¾	2
Employment	¼	1¼	1 ¼	½
LFS unemployment (rate)	4½	4	3¾	3¾
CPI-ATE	¼	1½	1¾	2¼
Annual wage growth	3¾	4½	4¾	4¾
Output gap mainland Norway	-¼	¾	1	½

Source: Norges Bank 24