The economic outlook

Governor Øystein Olsen
Norges Bank
29 March 2011
World GDP growth

Contribution from advanced and emerging economies\textsuperscript{1).}

Per cent. 1980 – 2014\textsuperscript{2)}

\textsuperscript{1)} IMF grouping of countries (33 advanced and 148 emerging). Current GDP weights (PPP)

\textsuperscript{2)} Norges Bank’s estimate for 26 trading partners, other estimates from IMF

Sources: IMF and Norges Bank
Global oil demand
In millions of barrels per day. 1980 - 2010

Source: EIA
GDP growth and terms of trade

Real GDP growth.
Per cent. 2000 - 2010

Terms of trade. Index, 2000 Q1 = 100
2000 Q1 – 2010 Q4

Mainland Norway
OECD

Sources: OECD, Statistics Norway and Norges Bank
Inflation
12-month percentage change\(^1\). January 2001 – December 2010

\(^1\) 5-month moving average. CPI (inflation), CPIXE/CPI-ATE (core inflation)

Sources: Statistics Norway and Norges Bank
Krone exchange rate\(^1\), inflation\(^2\) and Norges Bank key policy rate

January 2001 – December 2010

1) Index, January 2001 – April 2003. A falling curve denotes a stronger krone exchange rate
2) CPIXE. 12-month change. July 2002 – November 2005

Source: Norges Bank
Price level and GDP
Percentage change since the beginning of each decade

Price level (CPI) vs. Mainland GDP at constant prices

Source: Statistics Norway
MONETARY POLICY DURING ECONOMIC DOWNTURNS
August 1987 – February 1990 and June 2008 – December 2010

Real interest rate 1)
Per cent

Unemployment 2)
Percentage of labour force

1) 3-month nominal money market rate deflated by the CPI-ATE. 5-month MA.
2) Registered unemployment. 3-month MA.

Sources: Statistics Norway, Norwegian Welfare and Labour Administration and Norges Bank
Fiscal policy

Change in the non-oil budget surplus from 2008 til 2010.
In billions of NOK

1) Change in expected return on Government Pension Fund Global (4 per cent of fund’s capital at beginning of year)
2) Change in cyclical adjustments

Source: Ministry of Finance
Household debt
As a percentage of GDP, 2000, 2005 and 2010

1) Household debt from MFI in the euro area
2) C2, households. As a percentage of mainland GDP

Sources: ECB, Thomson Reuters, Statistics Norway and Norges Bank
Household debt burden and interest burden.
Per cent. Quarterly figures. 1988 Q1 – 2014 Q4

Sources: Statistics Norway and Norges Bank
GDP at constant prices
Index, 2007 Q1=100. 2007 Q1 – 2010 Q4

Sources: Statistics Norway and Thomson Reuters
Oil price (Brent Blend)
USD/barrel. 1 January 2003 – 23 March 2011

Source: Thomson Reuters
Terms of trade
Index, 2000 Q1=100. 2000 Q1 – 2010 Q4

Sources: Statistics Norway and Norges Bank
Net immigration in 2010
By nationality. Number of persons

Source: Statistics Norway
Capacity utilisation and inflation
Baseline scenario in *Monetary Policy Report 1/11.*
Per cent. 2008 Q1 – 2014 Q4

Output gap (left-hand scale) vs. Core inflation (CPIXE, right-hand scale)

Source: Norges Bank
Key policy rate
Per cent. 2008 Q1 – 2014 Q4

Baseline scenario from
Monetary Policy Report 1/11

Source: Norges Bank
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