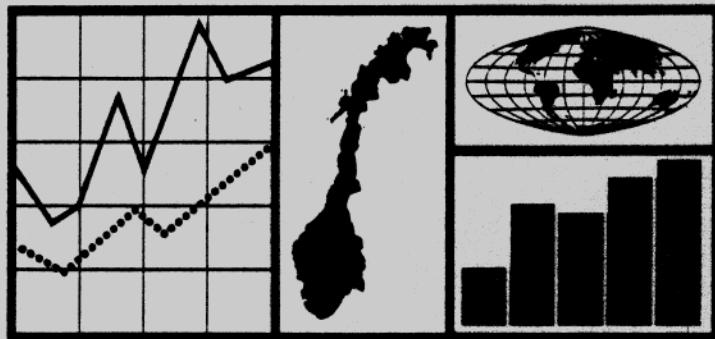


Økonomiske analyser

Nr. 1A – 1990

.....



**Economic survey 1989
Norway**

Statistisk sentralbyrå

Postboks 8131 Dep. N-0033 Oslo 1 – Tlf. (02) 41 38 20

Økonomiske analyser

Nr. 1A – 1990

Økonomiske analyser er en årlig publisert rapport fra Statistisk sentralbyrå.

Denne rapporten gir et oversikt over det økonomiske utviklingen i Norge i 1989. Den viser hvordan økonomien har utviklet seg i løpet av året og hvordan den kan forventes å utvikle seg i fremtiden. Rapporten omfatter også en oversikt over Norges økonomiske politikk og en analyse av Norges tilstand som et medlemsland i EØS.

Contents

Economic Survey, 1989

Summary	3
Economic Policy	12
Norway's disposable income and balance of payments.....	19
Prospects	21
Economic Policy Calendar 1989	23
Outlook for 1990 and 1991 - a model-based projection	27
National accounts tables	
1*	

Statistisk sentralbyrå

Postboks 8131 Dep. N-0033 Oslo 1 – Tlf. (02) 41 38 20

The current issue of Economic Survey contains a review of the Norwegian economy for 1989. The first preliminary national accounts figures for 1989, based on the quarterly national accounts system, are also presented. The quarterly calculations are carried out on a less detailed level than the annual national accounts. Especially for the last few months of 1989, the calculations are to a large extent based on estimates and reported plans. The first, preliminary national accounts figures based on data for the year as a whole are scheduled to be published in Economic Analyses in May this year.

The Economic Survey of 1989 has been prepared by the Research Department in the Central Bureau of Statistics. The cut-off date for information used in the publication was Wednesday, 31 January 1990.

Summary

The sluggish trend in domestic demand contributed to a 0.9 per cent decline in real GDP for Mainland Norway from 1988 to 1989, at the same time that unemployment rose sharply. A strong growth in exports of crude oil and shipping services nevertheless entailed that total GDP expanded by 2.3 per cent.

As in 1988, economic developments in Norway differed markedly from the rest of the OECD area where there was a strong growth in production and a small drop in unemployment. High international growth and a rise in market shares for some products contributed to a 6.5 per cent growth in Norway's traditional merchandise exports in 1989.

Private consumption fell for the third consecutive year in spite of a 1.3 per cent rise in household real disposable income in 1989. The decline in private consumption must be viewed in relation to the period 1985-1988 when consumption outpaced the household sector's disposable income. Strong debt accumulation and a greater debt servicing burden as a result of this have also contributed to curbing the rise in income in recent years.

Gross fixed investment in Mainland Norway plummeted as much as 14.5 per cent from 1988 to 1989. This is related to the weakening in domestic demand and idle production capacity in large parts of Norwegian industry after the unusually high level of investment in the period 1985 to 1988.

The weak domestic trend resulted in a continued deterioration in the situation on the labour market through 1989. For the year as a whole employment measured in man-hours fell 3.5 per cent, and the number of job-seekers without income was nearly 5 per cent of the labour force. This is the strongest decline in employment and the highest level of unemployment observed in Norway in the postwar period.

The rise in prices and wages was noticeably lower from 1988 to 1989. The Income Regulation Act was an important reason for this while strong productivity gains and low capacity utilization helped to curb the rise in prices. Towards the end of the year inflation in Norway was slightly lower than

MAIN FEATURES OF ECONOMIC DEVELOPMENTS

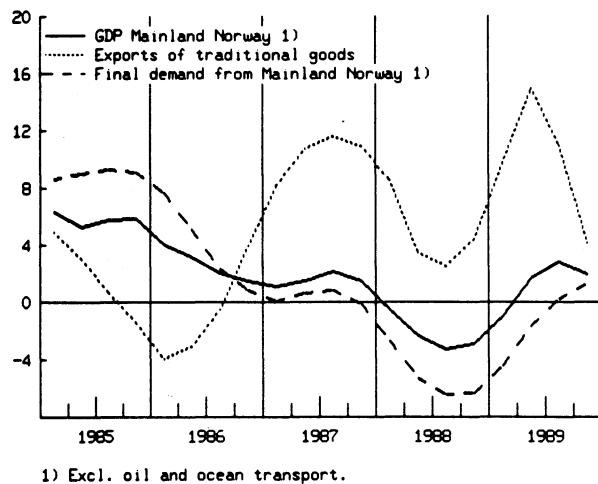
Growth from previous year. Per cent 1)

	1988	1989
Demand and output volume indicators		
Private consumption	-2.3	-1.7
Public consumption	0.1	2.1
Gross fixed investment	1.9	-4.3
- Mainland Norway	-5.3	-14.5
Exports	4.8	12.1
- traditional goods	9.0	6.5
Imports	-2.7	-0.3
- traditional goods	-6.5	-5.0
Gross Domestic Product	1.1	2.3
- Mainland Norway	-0.1	-0.9
Norway's real disposable income	-2.0	2.4
Labour market		
Man-hours worked	-0.7	-3.5
Employed persons	-0.8	-3.1
Unemployment rate (LFS), level	3.2	4.9
Prices and wages		
Consumer Price Index	6.7	4.6
Export prices, traditional goods	10.4	5.5
Import, prices, traditional goods	4.2	4.6
Hourly wages	5.8	4.4
Balance of payments		
Current balance, bill. Nkr.	-23.8	1.8

1) The rates of growth in volume in all the tables with text in the Economic Survey are in constant 1987 prices.

CYCLICAL DEVELOPMENT

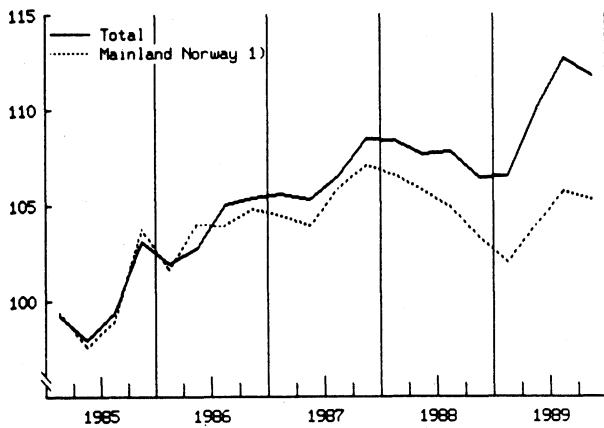
(Per cent growth from previous quarter. Seasonally adjusted and smoothed. Annual rates.)



1) Excl. oil and ocean transport.

GROSS DOMESTIC PRODUCT

1985=100. Seasonally adjusted



1) Excl. oil and ocean transport.

in main trading partner countries. Norwegian manufacturing industry's competitive position improved in 1989, and a growth in exports of both crude oil and traditional goods combined with higher oil prices contributed to a current account surplus of Nkr 1.8 billion, an improvement of Nkr 25.6 billion from 1988.

Most of the negative developments in domestic demand and production, measured as an annual average, are related to a sharp decline through 1988. Since the second quarter of 1989 there has been a weak growth in both private consumption and output in Mainland Norway, while the fall in investment is in the process of tapering off. The production turnaround in Mainland Norway has helped to curb negative trends on the labour market but has thus far not been sufficient to prevent a continued drop in employment and a rise in unemployment.

There was a clear shift in economic policy in an expansionary direction in 1989, primarily as a result of expenditure on measures to combat unemployment.

OECD area passed a cyclical peak

Following relatively strong growth through both 1987 and 1988 there are now indications that a cyclical peak in the OECD area was passed early in 1989. In spite of a weaker trend through the year the OECD has estimated that the average annual growth in GNP/GDP in member countries was 3.6 per cent in 1989, compared with 4.4 per cent in 1988.

As in 1988, it was particularly investment and exports which showed the highest growth, although developments differed markedly between countries. While growth remained high in both West Germany and Japan, it was clearly edging downward in the U.S. and the United Kingdom. Even though Sweden has also passed a cyclical peak the country will continue to be marked by high capacity utilization, a shortage of labour and a faster rise in prices and wages than in competitor countries in 1990.

Inflation in the OECD area was higher in 1989 than in the previous year, but the rise through the year appears to have come to a halt. Inflation is expected to remain generally stable in 1990. The international interest rate level showed an appreciable rise through 1989. Measured as a weighted average of short-term interest rates for Norway's main trading partners, it was 10.8 per cent in December compared with slightly less than 9 per cent one year earlier. With the exception of the U.S., the interest rate level is expected to continue to rise in 1990. Exchange rates exhibited relatively sizeable changes in 1989, and the dollar was strengthened. The dollar rate is expected to fall through 1990, and over time this may help to reduce the large imbalances in international trade.

The high market growth for Norwegian exports is tapering off

The growth in markets for Norway's traditional merchandise exports remained high in 1989. Even though this growth is expected to slow, there may be a clear market growth again in 1990. There is, however, some uncertainty concerning to what extent the projected slowdown in 1990 will result in a lower growth in imports for some of Norway's main trading partners. The decline in prices through the year for some important Norwegian export products indicates that the cyclical peak has been passed internationally.

Rising oil production in OPEC countries in 1989 was more than offset by a brisk growth in the demand for oil products. This entailed that the spot price for North Sea oil in US dollars showed an average annual rise of about 20 per cent, reaching a little more than US\$ 18 a barrel. Due to the rising dollar exchange rate the price in Nkr increased by about 30 per cent. The growth in the consumption

of oil products is now slowing and is expected to be matched by about the same growth in production. Falling dollar rates may contribute to curbing the growth in oil prices measured in Nkr even if oil prices in US dollars should rise somewhat.

Strong growth in exports

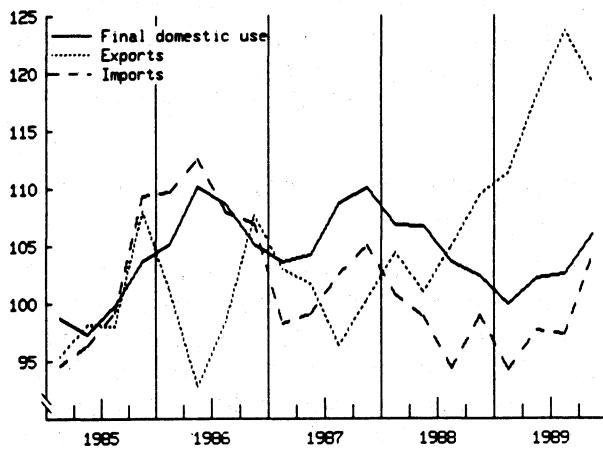
Total exports rose in volume by 12.1 per cent from 1988 to 1989 after expanding 4.8 per cent from 1987 to 1988. The sharp growth in exports could primarily be ascribed to higher exports of crude oil and shipping services, but the growth in traditional merchandise exports was also as high as 6.5 per cent. This is largely related to high market growth abroad although import-competing goods, particularly engineering products, have also increased their market share on the world market. This was due to a surge in investment abroad at the same time that the engineering industry in Norway had idle production capacity as a result of a fall-off in demand on the domestic market. Higher exports of farmed fish also made a noticeable contribution to the growth in traditional merchandise exports. A weaker growth in foreign markets has probably been one of the reasons why the growth in traditional merchandise exports has shown signs of tapering off in the second half of 1989. Increased supplies of farmed fish have pushed prices down on the world market, and measures have been introduced to limit exports in an attempt to maintain prices.

More expansionary fiscal policy and continued high interest rate level

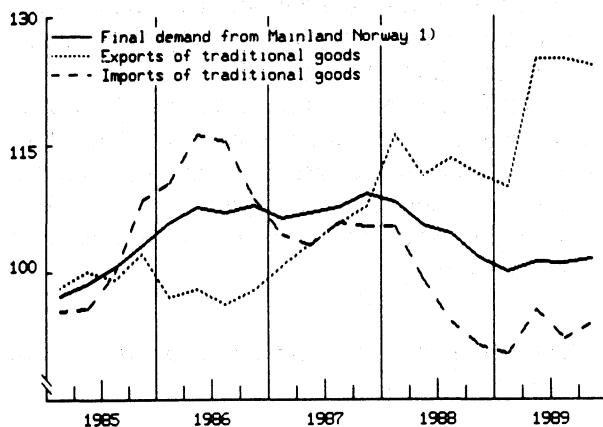
Viewed as a whole, fiscal policy indicators give the impression of a shift in the stance of economic policy in an expansionary direction in 1989. The oil-adjusted surplus in the central government and social security budget as a percentage of Mainland Norway's GDP fell by more than 4 percentage points, showing a negative Nkr 26.1 billion. A decline in tax revenue due to the fall in domestic demand and employment, as well as high expenditure on measures to combat unemployment, were the main reasons for this. Measured by the Ministry of Finance's indicator, which also makes an adjustment for the level of activity and interest, the surplus as a percentage of cyclically-adjusted GDP for Mainland Norway fell by 2.4 percentage points. Measured in this way, the demand stimulus from the 1989 budget was greater than the tightening in 1987 and 1988 combined.

The last remaining direct regulations of the financial institutions were abolished in 1989, and the magnitude of exchange controls has constantly been reduced. Interest rate policy has now become the most important element in monetary and credit policy, with the primary objective of maintaining a

TOTAL EXPORTS, IMPORTS AND FINAL DOMESTIC USE
1985=100. Seasonally adjusted

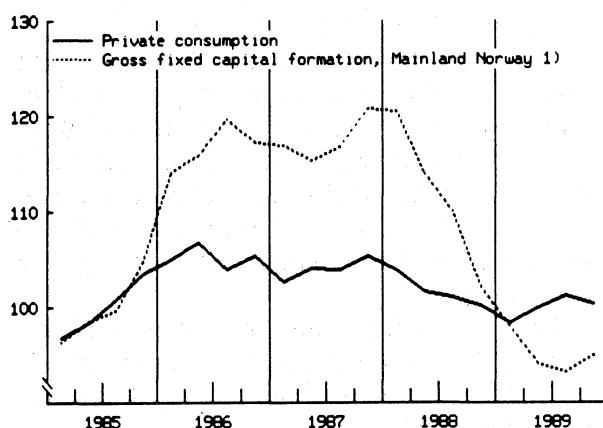


EXPORTS, IMPORTS AND DOMESTIC DEMAND, MAINLAND NORWAY
1985=100. Seasonally adjusted



1) Excl. oil and ocean transport, and changes in stocks.

CONSUMPTION AND FIXED CAPITAL FORMATION
1985=100. Seasonally adjusted



1) Excl. oil and ocean transport, and changes in stock.

stable exchange rate. The overnight lending rate in the Bank of Norway fell by one percentage point through the year as a whole, but increased in the second half of 1989. A rising interest rate level abroad entailed that the money market rate in the last half of the year increased more than the decline registered in the first half. The interest rate diffe-

rential between Norway and other countries was nevertheless reduced through the year and was less than 1 percentage point in January 1990. The average interest rate for bank lending fell two percentage points during the first three quarters and was 14.4 per cent at the end of the third quarter.

Labour market measures generated a growth in public consumption

Public consumption expanded at constant prices by 2.1 per cent from 1988 to 1989 after having remained unchanged from 1987 to 1988. Higher employment in the local government sector and a higher consumption of goods in civilian central government activities as part of the labour market measures, along with the procurement of military equipment, made the strongest contributions to growth. A weak growth in production and a sharp rise in fees for local government services entailed that local government consumption only increased by 0.6 per cent from 1988 to 1989.

Employment in the public sector rose by 1.6 per cent measured by man-hours worked. When adjusted for employment based on the labour market measure "Work for your Benefit", the growth in man-hours was about 0.7 per cent corresponding to some 4 000 people.

Decline in private consumption but turnaround through the year

Private consumption fell for the third consecutive year, with volume declining 1.7 per cent in 1989. The decline must be viewed in connection with the household sector's higher payments on interest and principal following the considerable borrowing which took place in the years 1985-1988.

Preliminary and uncertain calculations show that household real disposable income grew by 1.3 per cent from 1988 to 1989, while it was reduced by 0.2 per cent one year earlier. With the decline in private consumption this entails a savings ratio of 0.3 per cent compared with -2.8 in 1988. This is the first time since 1984 that the household savings ratio has been positive.

The fall in consumption in 1989 was most in evidence for Norwegian consumption abroad, while the consumption of goods continued to show a slight decline. The growth in the consumption of services was considerably weaker than has been customary in earlier years, and when the growth in volume for public fees is excluded, the consumption of services in 1989 was only slightly higher than in 1988.

A more favorable income trend through 1989 entailed that private consumption picked up somewhat in the last three quarters of the year. Part of the growth through the year, however, is related

to an abnormally low consumption of electricity and fuel in the first quarter due to the mild winter.

Strong drop in gross fixed investment in Mainland Norway, but signs of a slower decline through the year

Gross fixed investment in Mainland Norway declined in volume by as much as 14.5 per cent in 1989 following a fall of 5.3 per cent in 1988. A sharp growth in investment in oil activities and shipping, however, entailed that total gross fixed investment only fell by 4.3 per cent.

The fixed investment is related to the fall-off in domestic demand and idle production capacity in large parts of Norwegian industry and commerce. The low capacity utilization level must be viewed against the background of an unusually high level of investments in the period 1985 to 1988. In manufacturing and mining a large part of the decline of some 20 per cent can be ascribed to the completion of the Mongstad oil refinery. A sharp drop in housing investment is related to the weak growth in income, high real after-tax interest rates and many unsold dwellings.

Through 1989 the investment decline showed signs of tapering off. This was due to indications of turnaround in capital spending on machinery and transport equipment, while investment in the construction sector continued to show a decline towards the end of the year. Manufacturing investment, excluding Mongstad, rose in the last few quarters of 1989.

Slight fall in imports, but signs of resumed growth

The volume of imports remained broadly unchanged from 1988 to 1989. Due to the upturn in some components of domestic demand imports showed signs of growth in the second half of the year.

The average annual decline in traditional merchandise imports was as great as 5.0 per cent, but this can largely be ascribed to the fall through 1988. The decline in machinery investment and private consumption had a particularly strong impact on imports for import competing goods and goods from the primary industries.

The turnaround in 1989, however, has contributed to a resumption of growth in imports of import-competing goods. In addition, there has been a rise in imports of military equipment and ships.

Weak decline in production in Mainland Norway, but growth through the year

As a result of the decline in domestic demand, real gross product for Mainland Norway fell by 0.9 per cent from 1988 to 1989, although developments

through the year indicated that output was growing slightly as from the second quarter. A high growth in oil production and shipping entailed that total GDP grew by 2.3 per cent after having risen by only 1.1 per cent from 1987 to 1988.

The fall in production in Mainland Norway, measured as an annual average, was most in evidence in industries producing goods and services for the domestic market. The decline was particularly strong in the construction sector with a fall of 12.3 per cent, but output was also lower in import-competing manufacturing sectors and private services. The upturn in domestic demand contributed to resumed growth in private services through 1989, while the decline in construction showed signs of abating towards the end of the year.

A growth in domestic demand and higher exports also contributed to a weak upturn in manufacturing industry. All total, gross product in manufacturing and mining showed an average annual growth of 0.3 per cent.

Sharp growth in productivity contributed to improved competitiveness

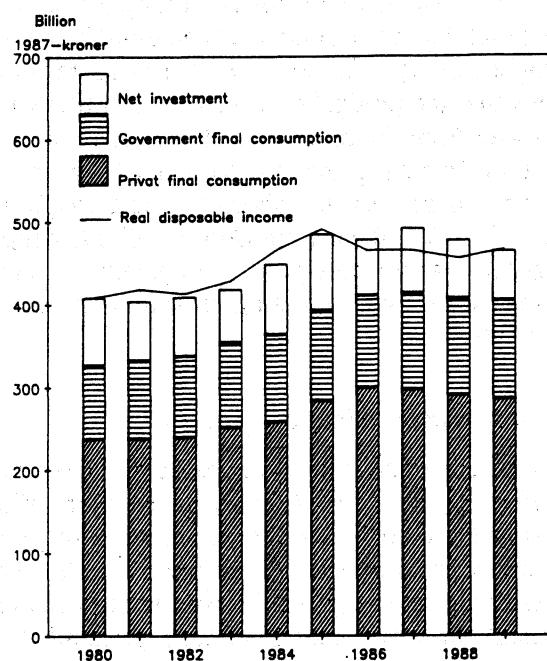
The growth in man-hour productivity was strong in most industries in 1989. For Mainland Norway as a whole it rose by 2.9 per cent, while the growth in manufacturing and mining was as high as 5.8 per cent.

Due to strong productivity gains and a relatively low rise in wages, unit labour costs in Norwegian manufacturing declined by about 4 per cent in relation to our trading partners, compared with a deterioration in most years earlier in the 1980s. The improvement in unit labour costs may help to explain why Norwegian manufactured goods won market shares on the world market in 1989. On the other hand, gains on the domestic market appear to have been modest in 1989 after shifts in the composition of goods contributed to an increase in market shares in 1988.

Strong drop in employment resulted in higher unemployment

The sluggish trend in production in Mainland Norway in recent years, along with the clear improvement in productivity in 1989, resulted in a sharp fall in employment. Employment measured by man-hours worked fell by 3.5 per cent from 1988 to 1989, representing the strongest reduction in employment that has occurred in any one year in the postwar period. The decline in number of people employed was 65 000. As with production, the fall in employment was greatest in the construction sector, import-competing manufacturing and some private services. In the public sector, on the other hand,

REAL DISPOSABLE INCOME FOR NORWAY AND DOMESTIC USE OF GOODS AND SERVICES



The gross domestic product minus capital consumption provides an indication of Norway's Net National Product (net value added) for the year. By subsequently deduction net interest, dividends and transfers abroad, it is possible to arrive at Norway's approximate disposable national income. To obtain an overview of longer-term trends in real disposable national income, the figures must be adjusted for inflation. The figure above shows the development in real disposable national income for Norway from 1980 to 1988, compared to the development of the domestic use of goods and services, private sector consumption, public sector consumption and net investment. The figure illustrates both trends in domestic use and trends in real disposable national income. The difference equals net foreign debt.

employment rose by nearly 10 000, of which more than 5 000 can be ascribed to the "Work for your Benefit" scheme.

The negative trend in employment was to some extent offset by the decline in the labour force and falling labour force participation rates. This was particularly in evidence among young people. Nevertheless, unemployment rose sharply and according to the Central Bureau of Statistics' labour force survey there were 106 000 job-seekers without income in 1989, measured as an annual average. This constituted 4.9 per cent of the labour force, as against 3.2 per cent in 1988. As an annual average,

registered unemployment at the employment offices totalled about 83 000.

A sharp escalation of labour market measures contributed to limiting the rise in unemployment. The employment trend viewed in conjunction with the development in number of people employed and people employed in labour market measures indicates that the production turnaround in Mainland Norway from the second quarter of 1989 has not been sufficient to prevent a continued deterioration in the situation on the labour market through the year. All total, there were almost 135 000 people registered as unemployed or employed in labour market measures, excluding rehabilitation, at the end of the year.

Slower rise in prices and wages

The consumer price index increased by 4.6 per cent in 1989 compared with 6.7 per cent one year earlier. A slower growth in domestic costs and strong productivity gains were the main reasons for this. The underlying rate of growth in consumer prices fell through the year. At the same time, price inflation abroad increased and the year-on-year rise in consumer prices towards the end of the year was slightly lower in Norway than in trading partner countries.

The regulation of income growth in 1988 and 1989 entailed that the growth in wages per man-hour worked was reduced to 4.4 per cent in 1989 compared with 5.8 per cent in 1988. Because pay increases in kroner were the same, the percentage growth in wages varied somewhat from one industry to another, and a reduced use of part time

employment resulted in a low growth in wages in the construction sector. A sharp fall in employment among the lowest paid groups contributed to boosting average wages in some industries.

Improvement in the balance of payments

The current account showed a surplus of Nkr 1.8 billion in 1989 compared with a deficit of Nkr 23.8 billion in 1988. The improvement was primarily due to a sharp rise in the value of crude oil exports and a noticeable improvement in the traditional merchandise trade balance. Higher freight earnings from shipping and a strong decline in Norwegian consumption abroad entailed that the services balance made a positive contribution. Higher net imports of ships and oil platforms and a higher deficit on the interest and transfers balance, which amounted to Nkr 24.7 billion, made a negative contribution. High imports of ships contributed to a sharp reduction in the current balance in the fourth quarter.

Growth in Norway's real disposable income

Norway's real disposable income grew by 2.4 per cent in 1989 after having declined the three preceding years. The improvement can primarily be ascribed to the growth in oil production at the same time that the rise in oil prices contributed to an improvement in the terms of trade. Total saving as a percentage of disposable income rose by 2.6 percentage points and reached 13.2 per cent in 1989.

DEVELOPMENT TRENDS IN SELECTED MACROECONOMIC VARIABLES
 Percentage change in volume in 1987 prices ¹⁾

	1000 million NOK	Growth from the year before		Growth from same period previous year			Underlying tendency Annual rate (measured from previous quarter) ⁵⁾				
		1989	1989	89.1	89.2	89.3	89.4 ⁶⁾	89.1	89.2	89.3	89.4 ⁶⁾
Privat final consumption expenditure	285.8	-1.7	-5.3	-1.5	-0.4	-0.0	-2	1	2	1	
Goods	180.7	-1.8	-7.0	-0.6	0.0	0.3	-1	2	2	1	
Services	96.0	1.3	1.0	1.0	2.4	0.9	1	2	2	2	
Norwegian consumption abroad	18.0	-16.4	-16.4	-20.3	-15.8	-12.5	*	*	*	*	
- Non-residents' consumption	8.9	-5.0	3.8	-2.2	-8.1	-11.5	*	*	*	*	
Government final consumption	118.6	2.1	-0.8	3.2	0.2	5.6	*	*	*	*	
Central government	46.2	4.5	-2.9	9.2	0.2	10.2	*	*	*	*	
Civilian	28.3	3.0	1.7	-1.1	2.7	8.8	*	*	*	*	
Military	17.9	6.9	-10.8	30.4	-4.1	12.2	*	*	*	*	
Local government	72.5	0.6	0.3	-0.5	0.2	2.4	*	*	*	*	
Gross fixed capital formation	153.9	-4.3	-16.9	-14.4	2.8	13.2	*	*	*	*	
Oil and shipping	51.2	25.9	2.6	-12.6	84.3	87.6	*	*	*	*	
Mainland Norway	102.7	-14.5	-19.6	-15.7	-15.9	-7.1	-18	-14	-7	1	
Manufacturing and mining	13.8	-20.7	-29.9	-24.1	-16.0	-13.0	-25	-18	-9	-4	
Production of other goods	16.9	-15.1	-14.7	-20.2	-15.9	-9.6	-20	-17	-7	6	
Other services	72.0	-13.1	-18.5	-12.7	-15.9	-5.2	-15	-12	-6	1	
Stocks (contribution to GDP growth)	-5.3	(-0.5)	(0.3)	(1.7)	(-2.1)	(-1.9)	*	*	*	*	
Ships and oil platforms in progress (contribution to GDP growth)	2.7	(0.5)	(0.3)	(1.9)	(0.1)	(-0.2)	*	*	*	*	
Other stocks (contribution to GDP growth) ³⁾	-8.0	(-1.1)	(0.0)	(-0.2)	(-2.2)	(-1.8)	*	*	*	*	
Final domestic use of goods and services	553.0	-2.2	-6.6	-3.7	-1.5	2.7	-3	1	5	7	
- gross capital formation in oil and shipping (incl. stocks) ²⁾	53.9	33.5	7.5	-0.8	66.8	60.7	*	*	*	*	
- demand from Mainland Norway	507.1	-3.8	-7.7	-3.7	-3.8	-0.4	-4	-2	0	1	
Exports	235.1	12.1	6.0	17.0	17.4	8.4	17	16	10	1	
Traditional goods	94.3	6.5	-6.1	12.6	9.8	10.3	10	15	11	4	
Crude oil and natural gas	75.2	26.5	24.7	33.7	35.9	14.1	33	25	14	-1	
Ships and oil platforms	4.7	-6.9	41.0	5.0	35.3	-53.4	*	*	*	*	
Services	61.0	7.3	3.3	8.2	9.5	8.2	10	10	7	2	
Total use of goods and services	788.1	1.6	-3.2	1.8	3.5	4.3	2	5	6	5	
Imports	205.7	-0.3	-7.0	-0.5	2.0	4.3	-1	4	9	12	
Traditional goods	125.4	-5.0	-15.1	-3.0	-2.7	1.7	-4	1	2	3	
Crude oil	0.7	-37.1	-59.2	-3.0	-42.2	-31.1	*	*	*	*	
Ships and oil platforms	18.1	41.6	74.2	15.5	108.8	21.2	*	*	*	*	
Services	61.4	1.8	3.6	1.9	-1.4	3.7	2	3	2	1	
Gross domestic product (GDP)	582.4	2.3	-1.8	2.7	4.1	4.3	3	6	6	3	
- Mainland Norway	492.4	-0.9	-4.6	-1.1	0.7	1.3	-1	2	3	2	
Oil activities and shipping	90.0	24.7	16.7	30.0	28.4	24.2	32	31	21	6	
Mainland industry	454.7	-0.6	-3.1	-1.0	0.6	1.0	-1	2	3	2	
Manufacturing and mining	85.7	0.3	-2.4	0.9	2.2	0.7	1	2	1	0	
Production of other goods	75.1	-1.6	-5.5	-1.2	-0.3	0.3	-2	1	3	3	
Other services	294.0	-0.6	-2.7	-1.6	0.4	1.3	-1	1	3	2	
Correction items (contribution to GDP growth) ⁴⁾	37.6	(-0.3)	(-1.5)	(-0.1)	(0.1)	(0.3)	*	*	*	*	

¹⁾ See "Technical comment".

PRICE INDICES FOR SELECTED MACROECONOMIC VARIABLES

	Percentage change from the year before	Percentage change from the same period the year before				Underlying tendency annual rate (measured from previous quarter)			
		1989	89.1	89.2	89.3	89.4	89.1	89.2	89.3
Private final consumption expenditure	4.4	4.5	4.7	4.4	3.9	3	7	4	3
Government final consumption expenditure	4.2	2.0	4.9	4.9	4.8	-1	13	4	4
Gross fixed capital formations	6.4	7.9	5.9	5.4	5.8	8	3	11	3
- Mainland Norway	3.2	4.3	3.4	3.2	1.9	-2	3	4	3
Final domestic use of goods and services	4.9	5.2	4.8	4.6	4.7	3	7	6	3
- demand from Mainland Norway	4.1	3.9	4.5	4.3	3.7	1	8	4	3
Exports	9.3	8.6	11.5	7.7	9.2	32	17	-12	8
- traditional merchandise exports	5.5	13.7	8.3	1.4	-0.4	12	-2	-14	4
Total use of goods and services	6.0	6.1	6.6	5.4	5.9	11	10	0	5
Imports	8.1	9.1	9.1	7.7	6.4	5	9	10	4
- traditional merchandise imports	4.6	6.1	5.6	3.5	2.5	-2	5	8	1
Gross domestic products (GDP)	5.3	5.1	5.7	4.6	5.8	13	10	-3	4
- excl. oil and shipping	3.9	5.3	4.3	3.3	2.8	4	5	-1	3

TECHNICAL COMMENT ON THE QUARTERLY ACCOUNTS FIGURES

Footnotes: 2) Including ships, oil platforms and platform modules in progress. 3) Excluding ships, oil platforms and platform modules in progress. Contributions to GDP growth are calculated as the difference between investments in stocks in the quarter and the same quarter the previous year, calculated as a percentage of GDP the same quarter the previous year. 4) Corrected for free bank services and certain excises. The contributions to GDP growth are calculated as the increase in the item from the same quarter the previous year, measured as a percentage of GDP the same quarter the previous year. 5) Growth from previous quarter in smooth, seasonally adjusted series, converted to an annual rate. 6) Estimates partly based on projections. *) Percentage changes are meaningless.

Quarterly calculations: The calculations are made on a less-detailed level than the calculations for the annual national accounts, and are based on a simpler procedure. The quarterly national accounts figures for the years up to and including 1988 have been reconciled against the most recently published annual accounts figures.

Basis year and linking: The figures on volume for 1988 and 1989 are computed at 1987 prices, and weights from that year have been used. In the quarterly national accounts all variables are computed at constant prices, with the previous year as the base year. 1984 is the base year for the annual national accounts. The choice of base year influences the constant price figures and thus the annual rate of change in volume (growth rates). For the sake of comparison, all the tables show growth rates with 1987 as the base year (common conversion year). This has been done by linking the constant price figures for the years prior to 1987 to 1987 prices. The linking is made on the quarterly accounts' sectoral level.

Gross fixed capital formation: Total gross fixed capital formation is heavily influenced by significant fluctuations in investment in oil activities. These fluctuations are inter alia due to the fact that platforms that have been under construction for several years are counted as investment in the quarter and with the capital value they have at the time they are towed out to the field.

Government consumption and investment: The Central Bureau of Statistics now has a statistical basis for distributing the central government sector's purchases of goods and services over the year. Such information is not yet available for the local government sector, so expenses have been divided equally over the four quarters.

Seasonally-adjusted figures: The quarterly national accounts are not seasonally-adjusted, as these accounts are attempts to register the actual transactions that have taken place in each quarter. Many of the statistical series thus show clear seasonal variations. These are therefore seasonally adjusted on the detailed accounts level and then added together with the other statistical series to obtain the total figures presented in the tables and charts. Seasonal adjustments for the central government sector's purchase of goods and services are based on estimates, as there is not enough information available yet to map out the seasonal pattern.

Underlying trend: The Norwegian economy is so small that random or single important occurrences can give wide variations in the figures. The seasonally adjusted figures are therefore smoothed so that it is possible to find the underlying trend for each series. Smoothing is an attempt to distinguish between random and systematic variations in the series.

REVISIONS OF UNDERLYING TREND

Per cent growth from previous quarter. Seasonally adjusted and smoothed. Annual rates.

Publ.	86.1	86.2	86.3	86.4	87.1	87.2	87.3	87.4	88.1	88.2	88.3	88.4	89.1	89.2	89.3	89.4
-------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

GDP Mainland Norway

Nov.-86	3	2	3													
Jan. -87	3	2	2	3												
May-87	5	3	3	2	-1											
Aug.-87	5	3	2	0	-1	-1										
Nov.-87	5	3	1	0	-1	0	1									
Jan. -88	5	3	1	0	-1	1	2	2								
June -88	5	3	2	1	0	0	1	0	-2							
Sept.-88	5	3	2	1	-1	0	0	0	-1	-1						
Dec.-88	5	3	2	1	-1	0	1	1	0	-1	-2					
Feb.-89	5	3	2	1	-1	0	1	1	0	-1	-1	-2				
June -89	4	3	2	1	1	2	2	2	0	-2	-3	-4	-3			
Sept.-89	4	3	2	2	1	2	2	2	-1	-2	-4	-4	-2	1		
Dec.-89	4	3	2	2	1	2	2	2	0	-2	-4	-4	-2	1	3	
Feb.-90	4	3	2	2	1	2	2	2	0	-2	-3	-3	-1	2	3	2

Final demand from Mainland Norway

Nov.-86	7	4	1													
Jan. -87	8	5	1	-3												
May-87	9	6	2	-2	-6											
Aug.-87	8	5	2	0	-1	-1										
Nov.-87	8	5	2	-1	-2	-2	-2									
Jan. -88	8	4	1	-1	-1	-1	0	1								
June -88	8	5	3	1	-1	0	1	1	-2							
Sept.-88	8	5	2	0	-1	0	0	0	-2	-4						
Dec.-88	8	5	2	0	-1	0	0	0	-2	-4	-4					
Feb.-89	8	5	2	0	-1	0	0	0	-3	-5	-4	-3				
June -89	8	4	2	0	0	1	1	0	-3	-5	-5	-4	-3			
Sept.-89	8	5	2	1	0	1	1	0	-3	-6	-7	-6	-4	0		
Dec.-89	8	5	2	1	0	1	1	0	-3	-5	-6	-6	-5	-2	0	
Feb.-90	8	5	2	1	0	1	1	0	-3	-5	-6	-6	-4	-2	0	1

COMMENTS ON THE REVISIONS

Revisions can either be due to new/revised quarterly figures for the current year, new/revised annual national accounts figures for previous years, or a change-over to a new base year for prices. Because the growth rates following the change-over to an annual rate are rounded off to the nearest whole per cent, a 1 percentage point change in the growth rate can be due to different rounding.

Published	Price basis::	New annual accounts:	Other comments:
Nov.-86	1985		
Jan. -87	"		
May-87	"	1984-85	Change in smoothing method for latest observation.
Aug.-87	1986		
Nov.-87	"		
Jan. -88	"		
June -88	"	1985-87	New seasonal adjustment programme used
Sept.-88	"		
Des.-88	"		
Feb.-89	"		
June -89	1987	1986-87	
Sept.-89	"		Revised seasonal adjustment programme
Dec.-89	"		
Feb.-90	"		

Economic Policy

The Government's economic policy programme for 1989, as presented in the National Budget, was a follow-up of the strategy pursued in recent years to redress the imbalances in the Norwegian economy. The point of departure for economic policy was the need to achieve a further improvement in the external position as well as the need to counter rising unemployment. It was thus important to ensure a stable and moderate rise in prices and costs following the expiration of the Income Regulation Act in the first quarter. The National Budget also pointed to the need to free labour and capital in such a way that production in exported industries could be increased.

Based on the conflicting policy goals aimed at attaining external balance and full employment, the budget for 1989 called for a broadly unchanged degree of fiscal restraint from 1988 to 1989. The programme and approved rules for personal taxation implied an approximately unchanged tax level and, with the exception of the lowest rate for employers' National Insurance contributions which was reduced by half a percentage point, the rules entailed no changes in employers' National Insurance contributions and the investment tax. The Final budget Bill for the 1989 budget otherwise showed a growth in total revenue and expenditure in the central government and social security budget of 6.2 and 7.5 per cent.

During the year the problems on the labour market grew considerably and fiscal policy was revised in a more expansionary direction, resulting in a deterioration in the budget balance. In addition to higher expenditure related to labour market measures and transfers to the unemployed, the investment tax rate was reduced on two occasions during the year. The employers' National Insurance contributions were also lowered. The budget balance also deteriorated through the year when the unexpectedly strong decline in domestic demand and employment automatically resulted in lower tax receipts.

Interest rate policy was the most important element in monetary and credit policy, and the overriding goal was to achieve balance in the foreign exchange market. The Bank of Norway reduced its overnight lending rate by one percentage point through the year as a whole.

The Income Regulation Act for 1988 was followed up by new legislation in 1989 regulating incomes and dividend payments. The aim of the act was to ensure that the limitation in income growth

which existed in agreements already concluded, e.g. between the Norwegian Federation of Labour (LO) and the Norwegian Employers' Confederation (NHO), would apply to all groups of income-earners. The main pattern in these agreements was a pay increase of Nkr 3 per hour.

Fiscal policy

The central government budget for 1989 planned on a surplus before loan transactions of Nkr 4.9 billion, or a deficit of Nkr 6.8 billion when adjusted for oil taxes, transfers from the Bank of Norway and state petroleum activities. In the course of the budget debate the surplus was reduced to Nkr 1.2 billion and the deficit on the oil-adjusted budget rose to Nkr 8.3 billion. The approved budget thus entailed a sizeable deterioration in the budget balance, even when viewed in relation to existing figures for the 1988 accounts. These showed a surplus of Nkr 4.4 billion or a deficit of Nkr 2.3 billion following adjustments.

The deterioration in the budget balance during the budget proceedings was due to an increase of Nkr 1.6 billion in budgeted expenditure, while the estimate for revenue was reduced by Nkr 2.1 billion. The higher expenditure was due to an increase in the estimate for investment in the Draugen development project and higher central government expenditure as a result of plans to build an airport in Hurum. The lower revenue could primarily be ascribed to a project reduction of Nkr 1.2 billion in revenue from petroleum activities as well as a reduction of Nkr 3.2 billion in recorded tax revenue, while the estimate for transfers from the Tax Equalization Fund was raised by Nkr 2.3 billion. The increase in the estimate for transfers from this Fund was due to the Storting's decision to raise the tax rate for contributions to the Tax Equalization Fund in combination with an equivalent reduction in the social security component of members' National Insurance premiums. Compared with plans in the central government budget, some changes in tax tables were also approved.

Viewed in relation to existing estimates for the 1988 accounts, the approved budget showed a growth in total revenue of 6.2 per cent, or 5.8 per cent when adjusted for oil revenue and transfers from the Bank of Norway. The growth in transfers from the Tax Equalization Fund and the item "Other taxes and excise duties", excluding oil, was 4.7 per

cent while total expenditure showed a higher growth, 7.5 per cent, or 8.2 per cent when adjusted for expenditure for state petroleum activities. Underlying the spending growth was a growth in transfers of 8.9 per cent.

The approved rules for personal income and wealth taxation called for a broadly unchanged tax level in relation to 1988. The rules entailed that the health component and pension component of members' premiums paid to the National Insurance Scheme should be combined into a new social security tax, which had the same structure as the pension component it replaced, but with a separate tax rate for pensions. The maximum marginal tax on wage and salary incomes was reduced from 63.2 to 62.0 per cent. For the vast majority of taxpayers, however, the change in the relative importance of taxes assessed on net and gross income was small. For taxpayers with a net income of less than about Nkr. 150 000 in tax class 1, the tax rule entailed an increase of 1.5 points in tax rates for net income, while the tax rates for gross income were reduced by 1.3 percentage points.

During the spring budget policy was revised in an expansionary direction, and in the Revised National Budget, presented in May 1989, the estimate for the deficit adjusted for oil taxes, transfers from the Bank of Norway and state petroleum activities was raised to Nkr 17.4 billion, a rise of Nkr 9.1 billion since the budget was approved. Resolutions passed in connection with the presentation of Proposition no. 65 to the Storting resulted in an increase of Nkr 5.2 billion in the spending estimate. These resolutions covered extraordinary measures to reduce unemployment and strengthen local government finances, as well as higher appropriations for unemployment benefits. Of the Nkr 5.2 billion, Nkr 1.6 billion related to higher transfers to the local government sector, primarily as a result of the employment measures.

The oil-adjusted estimate for revenue was reduced by Nkr 3.9 billion. The reduction included a Nkr 1.2 billion estimated fall in members' National Insurance premiums, of which Nkr 0.7 billion was due to a decision to reduce the rate for employer's contributions by half a percentage point in all zones with effect from May 1. As a result of the reduction in the investment tax from 10.0 to 9.0 per cent and a weaker than expected trend in private consumption, the estimate for VAT and investment tax receipts was reduced by about Nkr 1.2 billion. The estimate for "other indirect taxes" was reduced by Nkr 1.7 billion.

Preliminary figures for 1989 accounts, presented in the Final Budget Bill for the 1990 budget, show a deficit before loan transactions of Nkr 5.6 billion, or a deficit of Nkr 26.1 billion when adjusted for oil taxes, transfers from the Bank of Norway and state petroleum activities. Viewed in relation to the esti-

mates in the Revised National Budget, central government budget revenue adjusted for oil activities and transfers from the Bank of Norway was reduced by an additional Nkr 6.6 billion, of which Nkr 3.7 billion was due to a further reduction in the estimate for VAT and investment tax receipts. Nkr 1.4 billion can be ascribed to lower estimates for other indirect taxes, while the estimates for direct taxes and National Insurance and pension premiums were reduced by Nkr 1.0 billion.

The estimate for total central government budget expenditure was raised by Nkr 0.6 billion since the presentation of the Revised budget. When adjustments are made for expenditure on state petroleum activities, the spending estimate was increased by Nkr 2.2 billion. Underlying the net change of Nkr 2.2 billion was an increase of Nkr 10.4 billion in the item "Transfers to the private sector and abroad" while the item "Transfers from other central government accounts and other social security" showed a reduction of Nkr 7.7 billion. About Nkr 7.9 billion of these changes can be ascribed to technical accounting changes linked to accounting procedures for family allowances which are now recorded under "Transfers to the private sector and abroad". Adjusted for this change, the growth in "Transfers to the private sector and abroad" is about Nkr 2.6 billion. The increase largely covers higher National Insurance transfers including unemployment benefits and labour market measures in the form of grants to companies, as well as apprenticeship schemes, trainee jobs and grants to people taking courses. The estimate for expenditure on unemployment benefits for 1989 as a whole is about Nkr 6.6 billion.

Viewed in relation to the figures for 1988 accounts, the preliminary figures for accounts in the Final Budget Bill show a growth in central government revenue of 5.0 per cent from 1988 to 1989, or 2.0 per cent when adjusted for oil taxes, transfers from the Bank of Norway and state petroleum activities. The high level of unemployment and fall-off in domestic demand are reflected in the estimates for central government revenue inasmuch as the estimate for taxes and excise duties, excluding revenue from petroleum activities, is 1.9 per cent lower than in 1988. The reduction in VAT and investment tax receipts accounts for a sizeable share of the decline. While direct taxes have increased by 1.3 per cent, National Insurance and pension premiums have been reduced by 3.1 per cent. This difference can be ascribed to the reduction in rates for employers' National Insurance contributions and the fact that income tax is paid on unemployment benefits but not on employers' contributions.

Total expenditure shows a growth of 8.9 per cent, or 11.4 per cent when adjusted for expenditure on state petroleum activities. We see that the labour market measures have had an impact on the figures in the accounts inasmuch as central government

REVENUE AND EXPENDITURE ON CENTRAL GOVERNMENT ACCOUNTS, INCLUDING SOCIAL SECURITY

	1988	1989		% change from 1988 to 1989 Accounts
	Accounts Nkr bill.	Budget Nkr bill. ¹	Accounts Nkr bill. ²	
Total revenue	268.3	286.1	281.6	5.0
Taxes, royalties and other revenue from petroleum activities	19.1	18.8	24.7	29.3
Transfers from Bank of Norway	4.6	7.5	7.5	..
Total revenue excl. oil revenue and transfers from Bank of Norway	244.7	259.9	249.5	2.0
Other taxes and excise duties	192.1	198.7	188.5	-1.9
- Direct taxes	21.2	21.7	21.5	1.3
- National Insurance and pension premiums	75.1	74.8	72.8	-3.1
- Indirect taxes	95.8	102.1	94.2	-1.6
Other revenue incl. interest income and transfers	52.6	61.2	60.9	15.9
Total expenditure	263.7	284.9	287.2	8.9
- Expenditure for state petroleum activites	16.3	16.7	11.6	-29.0
- Total expenditure excl. oil activities	247.4	268.2	275.6	11.4
Expenditure on goods and services	66.5	70.9	73.0	9.7
Transfers	180.9	197.3	202.6	12.0
- To local government sector incl. contributions to Tax Equali- zation Fund	37.0	40.1	42.4	14.7
- Other transfers	143.9	157.2	160.2	11.3
Surplus before loan transactions	4.6	1.2	-5.6	..
Surplus before loan transactions adjusted for oil taxes, transfers from Bank of Norway and state petroleum activities	-2.7	-8.3	-26.1	..

¹ Budget report s. III. (1988-89).

² Final Budget Bill for 1990 budget.

outlays on goods and services rose by 9.7 per cent, while total transfers grew as much as 12.0 per cent. Adjusted for the change in the way in which family allowances are recorded, the item "Transfers to other central government accounts and other social security" shows a growth of about 10.4 per cent, while "Transfers to the private sector and abroad", which also include the labour market measures, show a rise of about 13.1 per cent.

Fiscal policy indicators

The use of fiscal and credit policy indicators can be useful as a summary measure of the effects of fiscal and credit policy. There will not, however, be any clear-cut relationship between these indicators and developments in the economy. A given fiscal policy and credit programme will have different effects on key variables in the economy such as employment, price developments and the balance of payments, depending on such factors as capacity utilization in the economy, the tightness of the labour market and the cyclical situation in countries with which we trade. To some extent it will be possible to adjust the indicators for such factors. The question of which criteria should be used, and to what extent, will nevertheless have to be based on judgments. Activity-adjusted indicators will therefore basically only be able to indicate whether the policy has been revised in an expansionary or restrictive direction. A more complete analysis of the effects of

economic policy will require a far more specified description of fiscal and credit policy instruments as well as the use of macroeconomic models.

The most widely used indicators for the stance of economic policy are:

- Surplus before loan transactions on the central government and social security budget adjusted for oil activities, etc., i.e. adjusted for oil taxes, transfers from the Bank of Norway and state petroleum activities (oil-adjusted surplus).

- Surplus before loan transactions on the central government and social security budget adjusted for oil activities and cyclical factors etc., i.e. adjusted for oil taxes, transfers from the Bank of Norway, state petroleum activities, cyclical factors, and the central government's net interest payments to the Bank of Norway and abroad (Oil- and activity-adjusted surplus).

- Central government and social security expenditure on goods and services.

- The growth in private sector money supply by sources of supply.

In order to make the indicators less dependent on price developments and easier to compare over time, they are usually computed as a percentage of GDP (excluding oil and shipping).

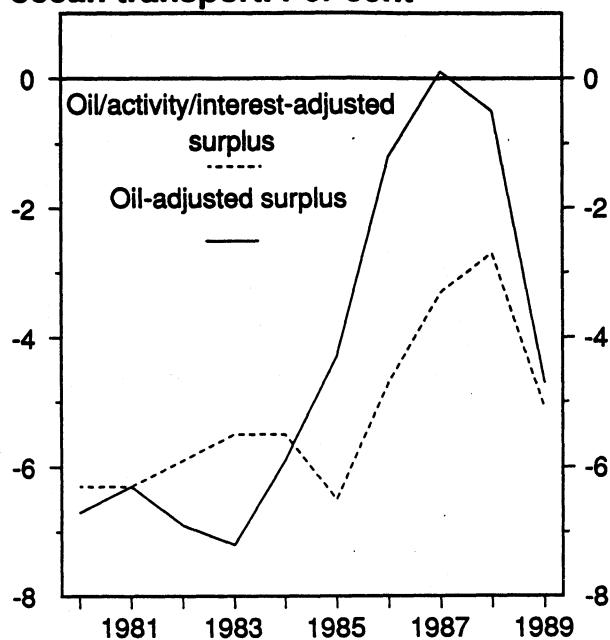
It is necessary to consider the various indicators together. The composition and level of central government expenditure will have a bearing on how expansionary a given budget deficit is. The effect

FISCAL AND CREDIT POLICY INDICATORS 1986-88

	1987	1988	1989
Surplus before loan transactions adjusted for oil activities, etc.			
as % of GDP excl. oil activities and shipping	0.1	-0.5	-4.7
Change from previous year (percentage points)	1.3	-0.6	-4.2
Surplus before loan transactions adjusted for oil activities and cyclical factors, etc. as % of cyclically-adjusted GDP excl.			
oil activities and shipping	-3.3	-2.7	-5.1
Change from previous year (percentage points)	1.3	0.6	-2.4
Central government and social security expenditure on goods and services as % of GDP excl. oil activities and shipping	12.7	12.5	13.3
Percentage growth in money supply in November from November the previous year	15.5	5.1	9.2
Domestic sources ¹	26.7	10.0	2.6
Public's foreign currency sales to banks ¹	-11.2	-4.9	6.6

¹ The domestic supply is calculated excluding central government loans/contributions to petroleum activities and the banks' lending based on foreign exchange licences, etc. These items are included under the public's foreign currency sales to the banks.

Surplus as share of GDP excl. oil and ocean transport. Per cent



of the deficit on the domestic credit supply will also have to be evaluated when examining how fiscal policy affects the rest of the economy.

Surplus before loan transactions

The level of the surplus in the central government and social security budget will be a measure of the direct "net" effect of the budget on demand. The change in this surplus from the previous year's budget thus gives an indication of whether the budget has become more or less expansionary. Adjustments are made for oil taxes, state petroleum activities and transfers from the Bank of Norway because these items are assumed to be of little significance for the development in domestic demand.

The oil-adjusted deficit will not entirely be a result of political decisions but will to a large extent be influenced by cyclical conditions. In order to obtain an indicator which gives a better impression of how expansionary fiscal policy is, the Ministry of Finance therefore computes an oil- and activity-adjusted deficit. This indicator is also adjusted for the central government's net interest payments to the Bank of Norway and abroad. The indicator is measured as a percentage of an estimated cyclically-adjusted GDP for Mainland Norway.

The oil-adjusted surplus in the central government and social security budget fell from about Nkr -2.7 billion in 1988 to Nkr -26.1 billion in 1989. As a percentage of Mainland Norway's GDP, the surplus declined by 4.2 percentage points. When also adjusted for the level of activity and interest pay-

ments, the surplus as a percentage of Mainland Norway's GDP fell 2.4 percentage points. Measured in this way, the demand stimulus from the 1989 budget is greater than the tightening which took place in 1987 and 1988. Such a comparison is nevertheless not without problems since the choice of adjustment method will be of sizeable importance to developments in the indicator.

The oil-adjusted budget balance for the central government and social security sector deteriorated by nearly Nkr 18 billion from the approved budget to the final budget. About half of this deterioration was due to changes in the estimates for tax and excise revenue (excluding oil), while one third can be ascribed to resolutions passed during the year. (The last one sixth is due to changes in the estimates for expenditure and revenue excluding taxes and excise duties). This illustrates one of the problems in interpreting such budget indicators. First, fiscal policy can be altered through the year with the adoption of resolutions concerning supplementary appropriations. But fiscal policy, measured by the budget indicators, can also become more expansionary when tax and excise revenue shows a trend which differs from that assumed in the budget. In the oil- and activity-adjusted deficit the cyclical effects on revenue are calculated for a number of taxes and excise duties. But there will not be any clear-cut relationship between the development in the real economy, as this appears in the national accounts and estimates in the National budgets, and tax revenue for the central government and social security sector. It is therefore uncertain to how great an extent the activity-adjusted indicator succeeds in picking up such cyclical fluctuations as those we have experienced in the Norwegian economy in recent years. The cyclical effects on tax and excise revenue may therefore be underestimated for 1989.

The cyclical effects on expenditure may also be underestimated for 1989. When calculating the oil- and activity-adjusted indicator, an adjustment is made for cyclical effects on expenditure for unemployment benefits but not for appropriations for labour market measures. A greater use of such measures will thereby result in a lower activity-adjusted surplus. Even though expenditure for labour market measures does not automatically follow cyclical movements but requires actual resolutions, cyclical conditions must be said to be of decisive importance for adopting such measures. Disbursements for the "Work for your Benefit" scheme, which is part of the labour market measures, will also to a large extent replace payments for unemployment benefits.

For a number of other types of benefits as well there will be a close relationship between cyclical developments and expenditure on transfers. The strong growth in these transfers in 1989 will largely be related to higher unemployment. No adjustment

has been made for the cyclical effects on this expenditure in the oil- and activity-adjusted budget deficit.

Expenditure on goods and services

Changes in the central government and social security sector's outlays on goods and services as a percentage of Mainland Norway's GDP may also provide indications of changes in fiscal policy. This indicator increased by about 0.8 percentage points from 1988 to 1989 after having fallen slightly from 1986 to 1988.

The growth in the money supply

The growth in the money supply is widely used as an indicator of how economic policy affects the development of the economy in nominal terms. It should be emphasized, however, that the relationship between money supply growth and the growth in nominal GDP in the shorter term is uncertain. The supply of liquidity to the public (private sector and municipalities, etc.) can be broken down by source. A rough breakdown is obtained by distinguishing between the domestic liquidity supply and the public's net sales of foreign currency to private banks. The domestic liquidity supply consists partly of items over which the authorities have direct control and partly of items which can be influenced through fiscal and credit policy. The public's foreign currency sales to the banks will also depend on the cyclical situation and on the authorities' regulation of capital movements.

Money supply growth from November 1988 to November 1989 was 9.2 per cent, while the growth in nominal GDP was 7.8 per cent. The contribution from domestic sources has fallen from 10 per cent from November 1987 to November 1988 to about 2.6 per cent from November 1988 to November 1989. Most of the supply came from central government sectors through a deficit before loan transactions and through central government loan transactions and the State banks.

Summary

Viewed as a whole, fiscal and credit policy indicators give the impression of a clear revision of economic policy in an expansionary direction in 1989.

Credit and exchange rate policy

Through the second half of 1980s credit and exchange rate policy has changed substantially. The last remaining direct regulations of the financial institutions were lifted in 1989 and the magnitude of exchange controls is being constantly reduced. In line with this, both the financial institutions and

Norway's monetary and credit policy have gradually shifted from being regulation-oriented to being market-oriented. Since 1986 the prime target of monetary and credit policy has in practice been achieving balance in the foreign exchange market.

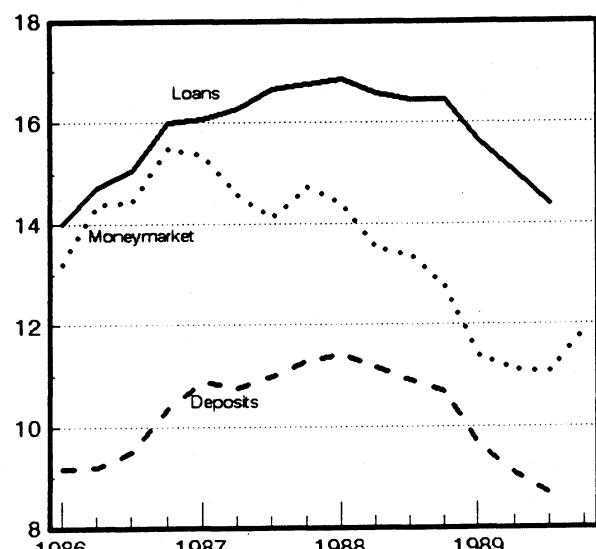
When monetary and credit policy is based on market-oriented instruments, it is not possible to pursue detailed objectives for the distribution of the credit supply. In line with this, a detailed credit budget in the National Budget has been replaced by an interval for growth through the year in total credit from domestic sources to the private sector and municipalities since 1988. For 1989 this interval was set at 5-9 per cent, corresponding to a credit supply of between Nkr 45 and 80 billion. By way of comparison the planned supply in 1988 was in the interval Nkr 50 to 70 billion while the actual supply was about Nkr 66 billion.

The current account deficit was estimated at about Nkr 14 billion in the National Budget for 1989. As in the previous two years the plans entailed that the deficit should primarily be financed through business sector borrowing abroad. This was part of the background for a continued liberalization of exchange controls. Since preliminary calculations show a current surplus of Nkr 1.8 billion, this problem was less relevant in 1989 than in the preceding years.

The regulation of new bond issues by municipalities and counties was abolished in the first quarter of 1989. In the second quarter bank and financing companies were given the opportunity to float bonds with a maturity of up to 36 months. Following this move, the direct regulation of financial institutions has in practice been phased out.

Parallel to the removal of direct regulation of the

Average rate of interest on bank loans and deposits, and a moneymarket rate of interest indicator.



Source: Bank of Norway.

credit market, interest rate policy has become the most important element in monetary and credit policy. The regulation of the banks' borrowing facilities in the Bank of Norway and the Bank of Norway's market operations are the most important instruments in interest rate policy. The interest rate on the banks' overnight loans in the Bank of Norway was reduced four times through the first half of 1989. At end-June the overnight rate had been reduced to 10.0 per cent, two percentage points below the level prevailing at the beginning of the year. The reduction in the Bank of Norway's overnight rate must be viewed against the background of the relatively calm conditions on the foreign exchange market during the first half of the year.

The first two reductions in the overnight rate were followed up by money market participants, while this was not the case for the following two. The money market rate at the end of the first half of the year was therefore only one percentage point below the level of 12 per cent at the end of 1988. As a result of an increase of about one percentage point in the interest rate level in trading partner countries, the interest rate differential via-a-vis other countries was nevertheless reduced by about two percentage point through the first half of 1989.

Interest rates in money and capital markets fell considerably through 1987 and 1988. Nevertheless, it was not until 1989 that the decline in the general interest rate level had a noticeable impact on bank rates. Following a reduction of 34 basis points through 1988 the average interest rates for bank lending fell from 16.4 per cent to 15.1 per cent from end-1988 to end-June 1989. The average interest rate on deposits from the public declined from 10.7 per cent to 9.1 per cent through the first half of 1989, after falling 60 basis points through 1988. As a result of the movements in lending and deposit rates, the increase in the banks' interest margin (net interest) through the second half of 1988 continued

in the first half of 1989. The fall in the money market rate further entailed that the banks' total interest margin was higher in the first half of 1989 than in the second half of 1988.

The Bank of Norway's overnight rate was kept unchanged through the third quarter in spite of the fact that the money market rate had not followed suit after the interest rate was reduced in May. In the middle of the fourth quarter, however, the overnight rate was raised from 10 to 11 per cent. This time money market participants reacted to the Bank of Norway's interest rate change, and the interest rate rose by about two percentage points in the last two months of the year. At the end of the second half of 1989 the interest rate was about 1.5 percentage points higher than the level at end-June. Since the interest rate level in trading partner countries continued to rise through the second half of the year, the interest rate differential increased by only 0.3 percentage points through the second half of the year.

The decline in bank rates, on the other hand, persisted in the third quarter. The average rate for bank lending at the end of the third quarter was reduced to 14.4 per cent, while the deposit rate was 8.7 per cent. The movements resulted in a reduction in the interest margin. Since the money market rate remained virtually unchanged from the second to third quarter, and increased towards the end of the year, the banks' net interest was probably lower at the end of the fourth quarter than at the end of the second quarter.

The growth in the Oslo Stock Exchange's all-share index through the fourth quarter of 1988 continued in the first half of 1989. The development through the second half of the year was erratic, but the level of the all-share index at end-year was still 6 per cent above the level at the end of the first half, and about 60 per cent higher than the level at end-1988.

Norway's disposable income and balance of payments

Norway's disposable income and saving

While Gross Domestic Product is an indication of the total creation of value in the country in the course of one year, Norway's disposable income shows what the country has available for private and public consumption and for saving. Norway's disposable income is defined as GDP at current prices less capital consumption and net interest transfers abroad (interest, share dividends and transfers).

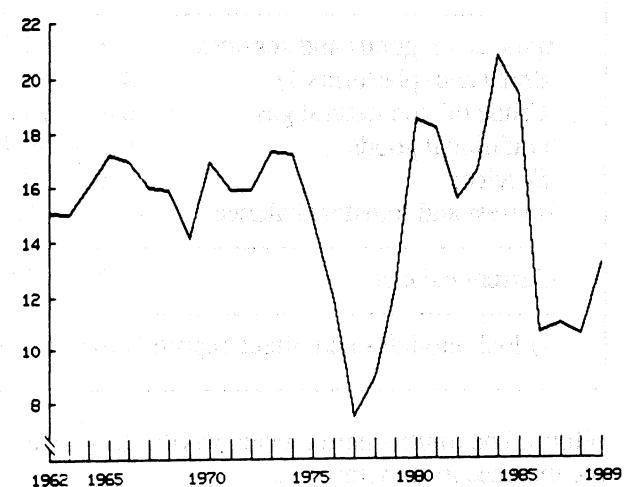
The calculations for 1989 show that Norway's disposable income amounted to Nkr 515.2 billion, a rise of 6.8 per cent from the previous year. Deflated by the national accounts price index for consumption and net fixed investment, disposable income expanded by 2.4 per cent from 1988. The growth was rising through the year. 1989 is the first year after 1985 which has recorded a growth in real disposable income.

A change in real disposable income can be broken down into the contribution from output growth, a change in the interest and transfers balance, and a change in the terms of trade (relationship between export and import prices).

Higher production resulted in a 2.8 per cent growth in real disposable income from 1988 to 1989. National accounts figures indicate that the output growth in the production and pipeline transport of oil and gas by itself raised real income by 3.4 per cent, while a fall in production in other industries reduced real disposable income by 0.7 per cent.

An improvement in the terms of trade boosted

SAVING RATIO FOR NORWAY
Savings as a percentage of Norway's disposable income



real disposable income by 0.5 per cent in 1989. The improvement in the terms of trade from 1988 to 1989 was particularly due to the rise in prices for non-ferrous metals and crude oil.

Saving for Norway - disposable income less private and public consumption - increased by Nkr 17 billion from 1988 to 1989. The household sector accounted for Nkr 9.4 billion of the growth in saving. The savings ratio for Norway, defined as saving as a percentage of disposable income, is estimated at 13.2 per cent in 1989, a rise of 2.6 percentage points from the previous year. In spite of the fall in domestic fixed investment the last few years, the strengthening of the balance of payments entailed that total saving remained high.

It must be pointed out that given the way in which saving for Norway is defined above, saving is the same as the sum of net fixed investment (increase in production capital) and net financial investments (increase in net foreign assets). No account has been taken of changes in the valuation of e.g. petroleum reserves, other natural resources and the foreign debt.

Balance of payments

Preliminary calculations show a current account surplus of Nkr 1.8 billion in 1989. In the previous year there was a deficit of as much as Nkr 23.8 billion. A rising surplus on current account through the first three quarters of 1989 was reversed in the fourth quarter when there was a deficit of Nkr 3.8

NORWAY'S REAL DISPOSABLE INCOME Percentage change from previous year (same period previous year)

	1988	1989	89.4
Norway's real disposable income	-2.0	2.4	6.1
Contribution from:			
Output growth	0.2	2.8	5.5
Change in terms of trade	-1.6	0.5	1.1
Change in interest and transfers balance	-0.6	-0.9	-0.5

CURRENT BALANCE

Nkr billion

	Value					Change from 1988 to 1989		
	89.1	89.2	89.3	89.4	1989	Value	Volume	Price
						contri- bution	contri- bution	
Balance on goods and services	7.9	8.5	8.5	1.6	26.6	30.9	25.9	5.0
Ships and platforms 1)	-3.4	-3.7	-4.3	-10.1	-21.5	-11.4	-5.7	-5.7
Crude oil and natural gas	16.8	18.6	18.1	19.0	72.5	24.8	16.1	8.7
Traditional goods	-6.3	-6.7	-5.7	-8.1	-26.8	13.1	12.4	0.7
Services	0.8	0.4	0.4	0.8	2.4	4.5	3.1	1.4
Interest and transfers balance	-7.1	-6.6	-5.6	-5.4	-24.7	-5.2
Current balance	0.9	1.9	2.9	-3.8	1.8	25.7

1) Incl. modules and direct exports/imports of goods related to oil activities.

billion. The fourth quarter result was due to a sizeable increase in ship imports.

The total improvement of Nkr 25.7 billion from 1988 to 1989 may primarily be attributed to a sharp rise in the value of crude oil and natural gas exports and a noticeable improvement in the traditional merchandise trade balance. The services balance also made a positive contribution. Higher net imports of ships and oil platforms, etc. and a larger deficit on the interest and transfers balance had the opposite effect. The deficit on the interest and transfers balance, however, has been declining through the year.

The development in the trade balance for ships and oil platforms was due to both a higher volume of imports and higher import prices for ships. The sizeable increase in the trade deficit for this category in the fourth quarter of 1989, however, can primarily be ascribed to a higher volume of imports. The increase in the trade surplus for crude oil and natural gas from 1988 to 1989 reflects a rise in both export volume and the price of crude oil. As a result of a modest growth in volume and a lower price level for natural gas in 1989 compared with the

previous year, the value of gas exports showed a decline.

The improvement in the trade balance for traditional goods can primarily be ascribed to the growth in export volume and a fall in import volume. The rise in prices for both exports and imports entailed that the net contribution from price movements was very modest.

The strengthening of the services balance from a deficit in 1988 to a surplus in 1989 was related to an increase in net freight earnings for shipping and reduced travel abroad.

Preliminary calculations show that Norway's net foreign debt at end-1988 amounted to 21.2 per cent of GDP. The debt, measured in this way, has risen noticeably since 1985 when it was 9.7 per cent of GDP. When the 1989 current account surplus is adjusted for an estimate for valuation changes in assets and liabilities as a result of exchange rate changes in 1989, the net debt shows a negligible rise of Nkr 0.4 billion. The net foreign debt was in the event about Nkr 126 billion at end-1989, equivalent to 19.7 per cent of GDP.

Prospects

1989 gave no indication of imminent balance in the Norwegian economy. A couple of years with a tight fiscal policy, strict control over wage developments, an adjustment to a new economic situation in companies and households, a favourable international economic climate and a rise in prices and production in the oil sector have not been sufficient to restore balance in the Norwegian economy. True, we have achieved balance in the external account and a noticeably slower rise in prices and wages, both of which have been prime objectives of economic policy in recent years. On the other hand, unemployment has reached record levels and in this area Norway may find itself in the same situation as most other OECD countries. A clear revision of economic policy during 1989, *inter alia* with substantial labour market measures, has thus far only contributed to curbing the growth in open unemployment.

We cannot expect the stimulus from abroad to be as strong the next few years. It is primarily growing oil revenue which will be responsible for balance in the external account, if prices remain high. The weak upturn in domestic demand that we have registered through 1989 will probably continue in 1990 and 1991, but will most likely not be strong enough to reduce unemployment. Without significant changes in policy or unexpectedly strong international growth, it is therefore difficult to discern any noticeable improvement on the labour market the next few years.

Experience from earlier years indicates that measures aimed at stimulating demand have a relatively swift and positive impact on employment in sheltered and import-competing sectors. Pressures on prices and costs are also probably modest when the starting point is high unemployment and low capacity utilization as is the case now. On the other hand, the current balance is extremely vulnerable; an expansionary economic policy aimed at a substantial reduction in unemployment will probably generate another current account deficit and the danger of interest rate and currency unrest if we do not, at the same time, follow up and implement measures which point to balance in the slightly longer run.

A slower rise in costs, a clear improvement in productivity and a considerable growth in markets and prices for our main export goods have resulted in a considerable redistribution from wage incomes to operating profits in the Norwegian economy the last two years. Operating profits in the oil sector

have particularly risen, but export-oriented manufacturing sectors have also recorded a sharp improvement in profitability. The strengthening of the exposed sector of Norwegian industry has also been an explicit goal of economic policy. This shall generate renewal and growth in exposed sectors and thus an improvement in the balance of payments which can allow for a general expansion in the economy with a view to full employment. A key element in the strengthening of exposed sectors must also be to achieve a more diversified economy when the possibilities for expansion in our natural resource-based industries come to a halt. Thus far the restrictive policy and redistribution of income have primarily resulted in cutbacks in industries that are primarily based in the home market and not in the creation of new industries exposed to competition. In traditional resource-based industries, which are those now making a profit, the limited opportunities for expansion are reflected in a sizeable growth in pure financial investments.

An important reason why Norway's exposed industries are not directly expanding into new fields is the considerably higher cost level compared with competitor countries. Even though the rise in costs in Norway was lower than in competitor countries in 1989, hourly wage costs in Norway are still 20-25 per cent higher than the average for our competitors. Against this background, it is in itself remarkable that the exposed sector in the Norwegian economy is as large as it is, and was actually responsible for balance in the external account in 1989. The main explanation lies in the fact that our most important export industries can live with the current high level of wage costs thanks to Norway's natural resources. Open and hidden business sector support, through direct subsidies, import protection, preferential treatment for tenders, etc., also helps other branches of industry to survive. In some sectors which could have been real import-competing activities, it may be asked whether it is in fact the existence of monopolies and cartels and other private restrictive competitive practices which allow them to survive with a high level of wages by passing on higher costs to prices.

Against this background, there is little reason to be surprised that we do not find very much renewal and growth in exposed business sectors without natural advantages. The good capacity to pay high wages in other parts of industry and commerce can create an insurmountable barrier to renewal in such

areas. The reasons for our lack of adjustment capability must therefore be sought, among other things, in those factors which create special Norwegian disparities in profitability between industries. It is unreasonable to expect that free wage determination alone shall correct these distortions. On the contrary, purely market-oriented wage determination with the current signals of profitability may contribute to further rigidities in the business structure. The fact that the wage level is substantially higher than that found in most of our trading partner countries might indicate that our material standard of living is relatively high. The high level of wages, a high level of indirect taxes and probably relatively low productivity in some sheltered sectors entail, however, that Norway's price level also ranks on top. At the same time, direct taxation in Norway is dominated by high personal taxes so that Norway's total consumption per capita is closer to a medium West European level.

It may be too short-sighted to only point to special Norwegian explanations for the lacking ability to adjust and innovate. Many countries, without a dominating element of resource-based industries and with different tax system, have - even after many years - not succeeded in reducing unemployment to acceptable levels. Structural features of the labour force, greater movements in the internatio-

nal economy and reduced possibilities for management in modern open economies may be among the common factors which entail that we may have to struggle with a lack of adjustment capability and serious imbalances in the labour market for many years.

At the beginning of the 1990s the Norwegian economy is facing two main challenges. In the short term we must gain control over high and rising unemployment. In the somewhat longer run we must achieve growth in exposed sectors in order to ensure, at the same time, full employment and external balance. Our scope for manoeuvre to do something which has an impact in the short term will basically depend on our will and ability to cope with long-term developments. Only then will short-term measures in a small open economy like that of Norway have credibility and be possible to implement. It is a basic understanding of the problems and the functioning of the Norwegian economy that output must be increased in exposed sectors, but that most of the growth in employment will stem from private and public services. Our problem, both in the short and long term, is not that we have too many idle hands, but that we do not succeed in organizing the economy in such a way that we can utilize resources to cope with the many unsolved problems in the society.

Economic Policy Calendar 1989

January

10 Bank of Norway reduces its rate on overnight loans to banks by half a percentage point, to 11.5 per cent. The rate is further reduced to 11 per cent on January 14.

February

3 The Government tables proposals for changes in the Tax Act to establish Norsk Venture. The company's total equity capital will amount to Nkr 600 million, of which 49 per cent, or Nkr 294 million, will be supplied by the state (cf. December 20, 1988).

3 The Government tables proposals to raise the thresholds for investments in unit trusts from Nkr 2 000 to Nkr 3 000 in tax class I and from 4 000 to 6 000 in tax class II. The tax credit will continue to be 25 per cent of the investment.

6 Kværner Brug signs a contract for the Snorre field worth Nkr 340 million. Kværner's contracts for the Snorre project now exceed Nkr 1 billion. The contracts secure one year of employment for a thousand workers at Kværner Brug in Oslo.

6 The Commercial Banks' Guarantee Fund takes over and operates Sunnmørsbanken. The Fund contributes Nkr 100 million in new equity capital. The special guidelines imposed by the Board of the Guarantee Fund are replaced by the usual guidelines for commercial banks (cf. September 21, 1988).

6 The Central Bureau of Statistics presents its Economic Survey of 1988. It notes that demand from Mainland Norway fell by 1.7 per cent from 1987 to 1988, resulting in a sharp rise in unemployment.

8 The Government decides to ban the killing of seal pups, fearing a boycott of Norwegian fish products, especially in the U.S.

15 A committee headed by former Minister of Finance Per Kleppe, which has evaluated Norway's monetary and credit policy, presents its report (NOU 1989:3). The committee proposes abolishing exchange controls and evaluating whether Norway should apply for EMS association. An evaluation

should be made of whether some or all state banks should merge.

27 A wage agreement is reached between the main labour organization (LO) and the employers' federation (NHO), allowing for a general pay increase of Nkr 3 per hour for industrial workers. Nkr 1.50 is to be distributed through industry-wide agreements.

27 The Federation of State Employees' Unions, the Confederation of Vocational Unions and the Norwegian Teachers' Union accept central government's offer of Nkr 7 150 in annual pay increases.

March

3 The Government tables a parliamentary bill on measures to limit unemployment and implement an incomes policy for 1989. To curb unemployment it is proposed that appropriations for labour market measures be raised by Nkr 2.2 billion and lending quotas in the Housing Bank and Agricultural Bank by Nkr 1.8 billion. As a contribution to the pay settlements the Government advocates reducing employers' National Insurance contributions by 0.5 per cent and the investment tax by 1 per cent as of May 1.

10 The Ministry of Finance presents the Long-Term Programme for 1989-1993. The programme emphasizes that national wealth must be increased and the basis laid for future growth. Output and consumption must give greater consideration to nature and the environment. There will only be scope for increased public sector efforts in special priority areas.

16 A committee headed by Jarle Bergo of the Bank of Norway presents its second report on the supply of risk capital for industry. The committee proposes expanded possibilities for life insurance companies to invest in shares and an increase in thresholds for investments in unit trusts (AMS) allowing tax deductions. The committee's first report was presented November 15 last year (cf. November 15, 1988).

17 The Government allows the Swedish insurance company Skandia to acquire more than 50 and up to 100 per cent of the shares in the Vesta Group. Skandia Holding A/S contributes Nkr 500 million

in new equity capital in Vesta with the purchase of 4 million shares at a price of Nkr 125.

28 The Central Bureau of Statistics reports on major changes in national accounts figures for 1987. Revised figures show that the decline in consumption from 1986 to 1987 was 0.8 per cent and not 2.2 per cent as previously assumed. Household real disposable income rose by 0.5 per cent, compared with the earlier estimate of 2.1 per cent. There is reason to believe that many of the changes were due to a change in the "base year" for the accounts.

31 The Government gives the Norwegian company Elkem expanded dispensation from the South Africa boycott Act to secure continued imports of manganese for production at plants in Sauda and Porsgrunn.

31 The Storting passes legislation extending the Income Regulation Act for a new period from April 1, 1989 to April 1, 1990.

April

24 The Tax Act for Seamen is repealed. The Storting's Finance Committee advocates that seamen and fishermen are given a special tax credit of 23 per cent of income from employment but not more than Nkr 55 000. The change will be in effect as from 1989.

28 Einfrid Halvorsen resigns as Minister of Consumer Affairs and Government Administration, and MP Oddrun Petersen is appointed as her successor.

May

9 The General Meeting in Tofte Industrier accepts a proposal to merge with Norske Skogindustrier and Follum fabrikker. Norske Skogindustrier's General Meeting approves the proposal on May 11 and Follum fabrikker on May 12. The merger will take place in the autumn of 1989.

9 The Government permits foreigners to purchase Norwegian bonds.

9 The Bank of Norway reduces its overnight lending rate by half a percentage point to 10.5 per cent. All total, the overnight lending rate has now been reduced 3.3 percentage points the last 12 months.

12 The Government presents the Revised National Budget for 1989, pointing out that balance in the Norwegian economy is in the process of being restored in several key areas. A current account surplus of Nkr 13 billion is projected along with a slower rise in prices. Oil prices are higher than

assumed earlier. It appears, however, that domestic demand continues to decline, indicating that unemployment will remain high.

19 The Government tables a bill entailing that state mining activities in Sulitjelma will be halted in the autumn of 1989, but Norsulfid will continue with reduced mining operations. Norsulfid owns the Giiken mine which provides 75 jobs in mining and 25 man-years contracted from the mining company's subsidiary in Sulitjelma.

23 The Auditor General's office submits its report on the Industrial Fund to the Storting. The report is critical of management and the Board as well as the Fund's administrative procedures and routines for financial and administrative control.

June

3 The central government and the Norwegian Farmers' Union conclude a new agricultural agreement with an income framework of Nkr 1 310 million. The agreement gives farmers an average increase of Nkr 6 200 a year, or slightly less than the level agreed on for groups covered by LO and NHO.

5 The Storting allocates Nkr 2 billion to Statoil to increase its equity capital.

21 The pay settlement for bank employees results in a pay increase of Nkr 1.50 per hour from April 1, or Nkr 1.50 less than the amount obtained by LO and NHO groups.

22 The Bank of Norway reduces its overnight lending rate by half a percentage point to 10 per cent.

24 The private sector share offering in the partly state-owned venture capital company Norsk Venture is fully subscribed. Nkr 306 million is invested by private investors, while the state is providing Nkr 294 million.

27 Aker Stord is awarded a contract worth Nkr 1.1 billion from Saga Petroleum for building the Snorre deck. Aker will rehire 300 laid-off workers.

July

6 The Kværner company Rosenberg contracts with Saga Petroleum to build the steel structure of the Snorre platform. The size of the contract is about the same as that won by Aker Stord (cf. June 27).

August

28 The Swedish Kinnevik Group opens electronic

trading for Nordic shares in London. The aim is to facilitate foreigners' access to Nordic stock markets.

28 Norsk kollektiv pensjonskasse and the life insurance company Hygea merge under the name Vital forsikring. Vital will be the country's second largest life insurance company with total assets of Nkr 24.8 billion.

29 Norske Skog and Kosmos sign a letter of intent whereby Norske Skog will pay Nkr 840 million for taking over Saugbrugsforeningen in Halden. Kosmos will buy 2 million shares in Norske Skog. The aim of the agreement is to provide Saugbrugsforeningen with capital to invest Nkr 3 billion in new machinery for magazine paper.

September

8 The establishment of Saltfjellet-Svartisen National Park is approved by the King-in-Council.

11 A general election is held giving the centre-right coalition block a majority with 86 representatives compared with 80 for the socialists and 1 representative for the Party against the depopulation of Finnmark.

29 The Government decides to reduce the pace and scale of planning for the main airport in Hurum up to February 1, 1990 due to a report from the Meteorological Institute concerning weather conditions in Hurum. A steering group is appointed to study the consequences of these weather conditions.

October

10 Sparebanken Nord in Tromsø receives Nkr 2 billion from the Banks' Guarantee Fund and the Bank of Norway, with Nkr 650 million provided as guarantees. The bank has previously received Nkr 800 million entailing that the total support has reached Nkr 2.8 billion. The Guarantee Fund demands five out of nine Board member appointments and the Bank of Norway one Board member. Sparebanken Nord is the only bank serving large parts of Finnmark and Troms.

11 It is announced that Trygve Magnus Haavelmo has been awarded the Nobel Prize in Economics for 1989. Haavelmo has worked at the University of Oslo for many years.

12 A committee headed by Magnus Aarbakke presents its report "Business and Capital Taxation - an Outline for Reform" (NOU 89:14). The committee proposes taxing all capital income by 25-30 per cent and wage income by from 25 to 45 per cent. It is

proposed that a long list of tax credits for income from capital be revised and eliminated, including bank savings contracts and investments in unit trusts allowing tax relief as well as the tax-free amount for interest income. Capital gains on shares and bonds should be taxed and the marginal rate of taxation on income from housing should be raised, the committee says.

12 The Government of Gro Harlem Brundtland presents a proposal for the Central Government Budget and National Budget for 1990. Total spending in the fiscal budget amounts to Nkr 307 billion. Fiscal policy is expected to stimulate growth in domestic demand by 1 per cent in 1990. This is less than in 1989. Central government expenditure, excluding state petroleum activities, rises in real terms by 3 per cent in 1990, with labour market measures accounting for 1 per cent. Local government revenue will rise in real terms by about 2 per cent. The plan for taxes and excise duties entails a net tax relief of about Nkr 2.2 billion. A stable exchange rate continues to be the main objective for monetary and credit policy.

Demand in Mainland Norway is expected to rise by some 1 per cent in 1990. The current account, excluding ships, etc., is projected to show a surplus of Nkr 22 billion. Man-hour productivity in Norwegian industry is increasing far more than previously assumed. Much of the growth, however, can be ascribed to reductions in the workforce, and difficult labour market conditions are expected to persist in 1990. It is assumed that prices will rise by 4 per cent from 1989 to 1990.

13 The Labour Party Government resigns after it becomes clear that a coalition Government, consisting of the Conservative Party, the Christian Democrats and Centre Party, is preferred by a Storting majority.

16 The new coalition Government headed by Jan Syse takes over and announces the establishment of a new ministry: The Ministry of Labour and Government Administration. The Ministry of Development Cooperation is closed, with activities transferred to the Ministry of Foreign Affairs.

23 DnC and Bergen Bank apply for permission to merge based on Board decisions in the banks. The new bank will be called Den norske Bank.

25 Yngve Hågensen is elected new general secretary of LO with Ester Kostøl as deputy.

30 The Ministry of Finance places Norion Bank under public administration. The bank's office is closed and the Board resigns. The ministry shall

establish an administrative Board. This is the first time in the postwar period that a Norwegian bank is placed under administration.

30 The Board of the Norwegian State Railways approves staff reductions of 2 200 jobs in the freight division by 1992. Half of the jobs will disappear through retirement and voluntary quits. Hence, dismissals may be necessary to reach the planned total. The reductions have been justified on the grounds that the Storting demand the freight division to balance the accounts by 1992.

November

2 The Syse Government presents proposals for changes in the central government budget for 1990. The proposed changes will improve the budget balance by about Nkr 3.1 billion. Public spending is cut by Nkr 4 billion, and the plans call for a tax relief of Nkr 1 billion more than the previous Government's proposal.

6 Oslo Stock Exchange decide to fine Norsk Hydro and DnC Nkr 300 000 and Nkr 1.5 million respectively for violations of the Stock Exchange Act. This is the first time the Oslo Stock Exchange has made use of its right to impose fines.

10 Kværner Båtservice A/S in Mandal wins a Nkr 1.9 billion contract with the Navy for building nine minesweepers. The contract is expected to provide 160 jobs up to 1995.

13 The Railwaymen's Union carries out a six-hour political strike to protest the Government's proposal to cut the State Railways' investment budget by Nkr 150 million.

15 The Bank of Norway raises its overnight lending rate by 1 percentage point to 11.0 per cent.

December

8 The Norwegian Fishermen's Union breaks off negotiations with the central government concerning the fishery settlement for the year.

11 The General Meetings in Bergen Bank and Den norske Creditbank (DnC) approve a merger. The merger is to be implemented April 17, 1990 (cf. October 23).

18 The Storting stipulates the framework for fishery support at Nkr 1.125 billion (cf. December 8).

20 The Storting approves the final fiscal budget. Compared with the Syse Government's original proposals, the estimate for central government expenditure is raised Nkr 1.5 billion, of which interest payments account for Nkr 1.1 billion. The estimate for revenue is approximately unchanged (cf. November 2).

22 The Government decides to reduce production of Norwegian oil by 5 per cent in relation to estimated full capacity output. This will be in effect for six months as from January 1, 1990. Previously, production has been reduced by 7.5 per cent.

31 At the end of December 88 200 people were registered as unemployed according to the Directorate of Labour. 46 700 people are employed in labour market measures (excluding rehabilitation), altogether 134 900. This is the highest figure in the postwar period.

Outlook for 1990 and 1991 - a model-based projection

Estimates for macroeconomic developments in Norway for 1990 and 1991 are presented in this appendix. As in earlier Economic Surveys, the aim of these calculations is primarily to illustrate possible cyclical developments in the Norwegian economy and, in this way, obtain a clearer picture of the challenges facing us in the years ahead.

Similar calculations have in earlier years been carried out using the Central Bureau of Statistics' quarterly model, KVARTS. Because this model is currently being revised, the Bureau's yearly-based macroeconomic model, MODAG, has been used for the calculations presented below. However, in order to be able to give some indications of economic developments through the year we have made use of a mechanical method which distributes the annual estimates among the quarters in such a way that the averages for the year, and thus the growth from one year to the next as well, remain unchanged.

How accurate were the estimates from the last Survey?

The overall impression from similar calculations presented in the Economic Survey of 1988 is that the calculations underestimated the decline in the two most important components of domestic demand, private consumption and investment for Mainland Norway. This can primarily be ascribed to a substantial underestimation of the fall in housing investment. Because the decline in domestic demand was underestimated, the negative demand impetus for imports and Norwegian production was also underestimated. The same applies to man-hours worked and employment. The trend in unemployment was nevertheless reasonably accurate because the decline in employment resulted in a stronger than expected reduction in the labour force.

The estimate for foreign demand was very close to the mark. International price inflation, however, was underestimated, a factor which entailed that the projected price performance for cyclically sensitive exports from export-competing manufacturing was too weak. More important for the current account was the fact that oil prices in Nkr and gas production were also underestimated. The current balance was therefore substantially better than estimated.

Even though actual wage growth was somewhat higher than calculated, the underestimation of the growth in import prices entailed that the estimate for the rise in consumer prices was still reasonably accurate. The same applied to the assumption con-

cerning the household savings ratio and the growth in public consumption. The estimate for total GDP was also close to the mark, but this was due to underestimating the output growth in oil activities and shipping and overestimating production growth in Mainland industries.

The calculations picked up important features of developments in these series through the year, inter alia the turnaround which took place in the Mainland economy during 1989. The deterioration in the current account towards the end of the year as a result of the recovery in the domestic economy was also picked up.

International economic conditions in 1990 and 1991

The estimates for international growth in markets for Norwegian manufactured goods in 1990 and 1991 are based on the OECD's estimate for imports for Norway's main trading partners, published in the OECD's Economic Outlook in December 1989. These projections entail a slight fall-off in market growth through the next two years. Compared with forecasts from other forecasting institutes, the OECD's projections involve a slightly higher market growth, particularly for 1990.

The calculations are further based on a slightly lower international price rise in 1990 than in 1989, but with a rise again in 1991. The effect on Norwegian export prices is somewhat stronger because it is assumed that for some goods from export-competing manufacturing sectors the decline in prices through 1989 will persist through 1990 until prices again begin to rise in 1991.

Economic policy

The calculations are based on the approved budget plans for 1990. For 1991 we have made technical assumptions which, with a little goodwill, can be interpreted as unchanged economic policy. The calculations entail an assumption of approximately unchanged growth in public consumption when military consumption - which is heavily influenced by fluctuations in deliveries of costly military equipment - is excluded. It is true that the growth in local government consumption has been increased slightly, but this is offset by a correspondingly lower growth in civilian central government consumption. Moreover, the thresholds for personal allowances, etc. for direct taxes have been adjusted upwards approximately corresponding to the average growth in income. The rates for specific excise

duties have been increased in step with prices, while the rates for ad valorem excise duties have been kept unchanged from 1990.

The average interest rate level for households is assumed to fall only slightly from 1989 to 1990 followed by a further decline in 1991. State bank interest rates, however, have not been changed. The krone exchange rate is projected to remain stable.

Wage developments

The development in wages represents a special element of uncertainty for economic developments following two years of statutory regulation. Previous calculations using the Bureau's quarterly model KVARTS indicate that statutory regulations resulted in an effective limitation of wage growth in both 1988 and 1989.

When the Income Regulation Act expires on April 1 this year, one possibility is that the growth in wages will, as was the case earlier, primarily be determined by the rise in consumer prices, productivity and import prices, in addition to the level of unemployment, without statutory regulation having any after effects. But there is also a possibility that the growth in wages in the years ahead will be higher than the level based on normal wage determination because it was limited by statutory regulation in the previous two years.

There is naturally considerable uncertainty to what extent the growth in wages which was "lost" during the period of statutory regulation will be recaptured in the years ahead. Calculations previously made with the quarterly model indicate that the difference in wage growth between a situation without any "catch-up" and a situation with the same degree of catch-up as that which followed the price and incomes freeze in 1978-79 might be about 2 percentage points in 1990 and a wider differential in 1991. The choice of assumptions about the degree of catch-up will thus be of sizeable significance for the calculations.

Against this background, we have decided to make two calculations. In the first, alternative A, we have assumed that wage determination reverts to normal after the Act expires, i.e. we have not made an adjustment for any extra catch-up. But because we are using a yearly-based model and not a quarterly model, we have had to assume normal wage determination for all of 1990. In the second calculation, alternative B, we have assumed, using alternative A as a starting point, the same degree of catch-up as that following the price and incomes freeze in 1978-79. But because a certain degree of catch-up is already inherent in alternative A, the growth in wages in alternative B is slightly higher than that corresponding to the same degree of catch-up as that following the previous wage (and price) freeze.

The calculation for which we assume normal wage determination for all of 1990 (alt. A) shows a total growth in hourly wages of 4.0 per cent in 1990 and 4.3 per cent in 1991. With catch-up (alt. B), the growth in wages will be 6 and 6.3 per cent, respectively. The growth will be highest in manufacturing industry, reflecting high export prices for goods from export-competing manufacturing sectors and a generally high growth in productivity last year. Experience from earlier years indicates that high unemployment means less to manufacturing industry than sheltered industries in the private sector. The growth in wages in sheltered industries, however, is restrained by high unemployment and a low rise in consumer prices.

Prices

With the prospect of a slightly lower growth in wages in sheltered business sectors, the rise in domestic prices may also remain relatively low in the next two years. In alt. A, the rise in consumer prices will continue to be slightly lower than the rise in prices in trading partner countries.

With a greater degree of catch-up in wages the rise in prices will also be stronger. More than half of the employees in the private sector work in sheltered industries where the possibilities for passing on higher costs to prices is considerable, particularly when the increase in costs is recorded by all companies in the branch. In addition, higher wages will probably result in higher agricultural prices, and as from 1991 also electricity prices, as assumed in the calculations.

Costs will also rise for companies exposed to competition. Even if exposed companies allow higher costs to be reflected in prices to a lesser extent than in the sheltered sector, the result will undoubtedly be some rise in both export and domestic prices. This will in turn involve a slightly stronger price rise for imported goods. All total, the calculations show that 40 per cent of the increase in wages will be reflected in higher consumer prices by 1991.

Exports

Following the relatively brisk growth in exports the last few years, a more modest growth is likely in the years ahead, especially in the case of the alternative involving a higher growth in wages. A slower growth in international markets is assumed to have a noticeable impact on more cyclically-sensitive merchandise exports. Exports of fish and fish products will probably also exhibit a weak trend, partly due to marketing problems and partly due to a shortage of raw materials. It is likely, however, that some other commodity groups will continue to record a substantial growth in exports, both because

DEVELOPMENT OF SELECTED ECONOMIC VARIABLES

Percentage volume change from previous year unless otherwise noted 1)

	1988 Accounts	1989 OECD	1990 FD	1990 CBS-A	1990 CBS-B	1990 OECD	1991 CBS-A	1991 CBS-B	1991 OECD
Privat final consumption expenditure	-2.3	-1.7	1.2	2.0	1.4	1.6	1.8	1.9	2.3
Public final consumption expenditure	0.1	2.1	3.8	2.3	2.4	2.4	2.0	1.5	1.5
Gross fixed capital formation	1.9	-4.3	-20.6	-21.3	-18.6	-18.7	21.3	20.1	20.3
- Mainland Norway2)	-5.3	-14.5		-6.8	-3.8	-3.9		3.7	3.9
Final domestic use of goods and services (incl. stocks)	-1.6	-2.2	1.2	0.1	-0.2	-0.1	2.6	3.2	3.4
- demand from Mainland Norway3)	-2.5	-3.8		0.3	0.6	0.7	2.7	2.1	2.4
Exports	4.8	12.1	3.0	2.7	5.0	4.9		4.9	4.6
- crude oil and natural gas	10.8	26.5		-0.7	5.3	5.3		6.2	6.2
- traditional exports4)	9.0	6.5		4.0	4.2	3.9		4.7	4.2
Total use of goods and services	0.1	1.6		0.9	1.4	1.4		3.7	3.8
Imports	-2.7	-0.3	0.9	0.0	0.2	0.3	4.2	4.9	5.2
- traditional imports 4)	-6.5	-5.0		2.5	2.2	2.2		6.1	6.3
Gross Domestic Product (GDP)	1.1	2.3	2.2	1.2	1.8	1.8	2.1	3.3	3.3
- Mainland Norway 2)	-0.1	-0.9	2.2	1.1	1.3	1.3	2.8	2.8	2.8
Man-hours worked	-0.7	-3.5		-0.3	-0.1	-0.2		1.0	0.8
Number of employed	-0.8	-3.1	0.2		-0.1	-0.2	0.6	1.1	0.9
Labour Force	0.6	-1.3	0.0		0.3	0.3	0.3	0.7	0.7
Unemployment (level, per cent)	3.2	4.9	4.9		5.3	5.4	4.6	4.9	5.1
Hourly wages	5.8	4.4	5.1		4.0	6.0	5.0	4.3	6.3
Consumer price index	6.7	4.6			4.1	4.7		3.7	4.6
Private consumption deflator in National Accounts	6.1	4.4	4.5		4.0	4.7	4.5	3.6	4.5
Import prices traditional goods	4.2	4.6		4.0	3.2	3.5		4.2	4.4
Export prices traditional goods	10.4	5.5		0.0	-1.9	-1.4		4.4	4.9
Household saving ratio (level, per cent)	-2.8	0.3	-0.4		0.5	0.8	-0.1	1.1	1.6
Real disposable household income	-0.2	1.3			1.9	2.2		2.5	3.2
Current account (level, billion kroner)	-23.8	1.8	22.1	13.0	18.8	18.4	24.8	22.4	21.0
- excluding net sale of ships 5)	-12.5	23.7		21.0	33.2	32.8		37.3	35.9

1) FD: Forecast according to the Final Budget Proposal (Storting paper no.1, annex no. 13 (1989-90).

OECD: Forecast according to OECD Economic Outlook no. 46 (Dec. 1989) in 1984-prices.

CBS: Forecast according to Economic Survey 1989. Central Bureau of Statistics.

2) Excluding oil activities and international shipping.

3) Excluding investments in oil activities and international shipping and excluding changes in inventories.

4) All goods except ships, oil platforms and modules for crude oil and natural gas.

5) Excluding net exports of used ships and imports of new ships.

there will still be high growth in international markets for their products and as a result of a continued favourable trend in competitiveness for Norwegian companies.

Continued growth in exports of crude oil and natural gas is likely following the sharp growth registered in 1989. It must also be envisaged that the shipping sector will continue to show a growth in gross freight earnings as a result of the sharp increase in capacity in 1989.

Private consumption

The quarterly national accounts figures indicate that the decline in private consumption came to a halt during 1989. Households had then reduced consumption so much relative to income growth that the savings ratio - saving as a percentage of disposable income - had become slightly positive for the first time since 1984. The savings ratio rose from -2.8 to 0.3 per cent from 1988 to 1989.

There is no reason to assume that the savings ratio the next few years will revert to the normal level recorded prior to 1984, when it was 4.5 per cent, even though high real borrowing costs will pull in the direction of a continued rise. In alt. A, we have assumed it will rise to 0.5 per cent, increasing further to some 1 per cent in 1991. This rise in the savings ratio nevertheless provides room for higher private consumption in both years because real income will expand somewhat faster.

A higher growth in wages, as in alt. B, will probably result in corresponding increases in income for a number of other groups as e.g. pensioners and farmers. At the same time, it is conceivable that the savings ratio will rise both because the growth in income is stronger and because the higher growth in wages in alt. B will probably hamper the decline in interest rates found in alt. A. The effect of a higher growth in wages on consumption will thus be limited.

Investment

The decline in investment in Mainland Norway showed signs of levelling off towards the end of 1989. The calculations indicate a continued fall in 1990, on an annual basis, but this still entails a turnaround in investment during the year which continues as a moderate upturn through 1991.

The upswing will primarily be seen in manufacturing industry where high profitability and high capacity utilization for some sectors in recent years have laid the basis for increased investment. For other business sectors and for housing investment, however, only a modest growth in investment can be assumed. High real interest rates and continued low capacity utilization in some of these sectors will restrain investment.

Production and imports

The combination of a growth in exports and a turnaround in domestic demand entailed that output in Mainland Norway also began to rise in 1989. With a moderate upturn in domestic demand and a moderate growth in exports, output growth is likely to continue through 1990 and 1991 as well. Shifts in the composition of goods, however, will entail that imports grow faster than production in Mainland Norway.

Employment and unemployment

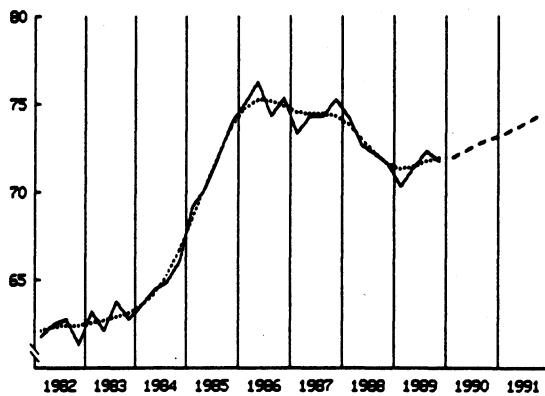
The moderate rise in production along with a low growth in the companies' labour costs may result in a slight pick-up in employment through 1990, although this primarily applies to sheltered industries. The decline in manufacturing employment may level off in 1990 and possibly rise slightly in 1991, although this depends on the development in wages. Based on a growth in wages as in alternative B, employment will exhibit a weak trend in the years ahead as well. The calculations in alt. B show a slight negative impact on employment even in sheltered industries, entailing that total employment will be lower as a result of a higher growth in wages. However, even with a growth in wages as in alt. B, total employment may increase in the years ahead.

The rise in employment will not be able to prevent an increase in unemployment from 1989 to 1990. But the rise will level off and there will probably be some decline in 1991. The effect on overt unemployment is difficult to estimate as much will depend on how the development in the labour force will respond to the rise in employment. In the alternative involving the highest growth in wages, however, unemployment may remain at approximately the current level (or possibly rise slightly), in any event through the end of 1991. The unemployment peak will thereby be slightly higher and the decline slightly less in the alternative involving the highest growth in wages.

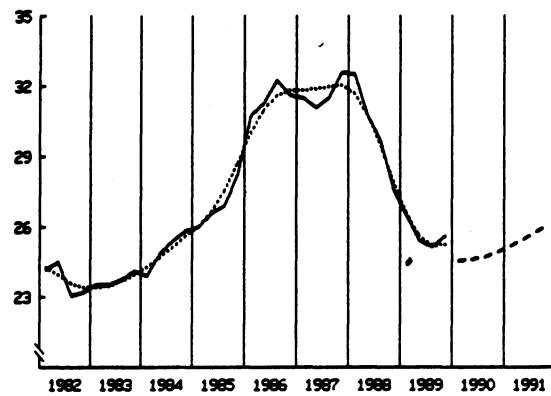
Current balance

The calculations indicate that the surplus on the current account of the balance of payments may rise from 1989 to 1990, and thereafter remain unchanged in 1991. Continued high oil production along with possibilities for an increase in gas prices, and a continued growth in net freight earnings for the shipping sector counteract the deterioration in the traditional merchandise trade balance. At the same time, it is reasonable to assume that the high level of investment in shipping will fall somewhat so that lower imports of ships will make a clear positive contribution to the current balance.

PRIVATE CONSUMPTION
1000 million 1987-kroner. Seasonally adjusted and smoothed

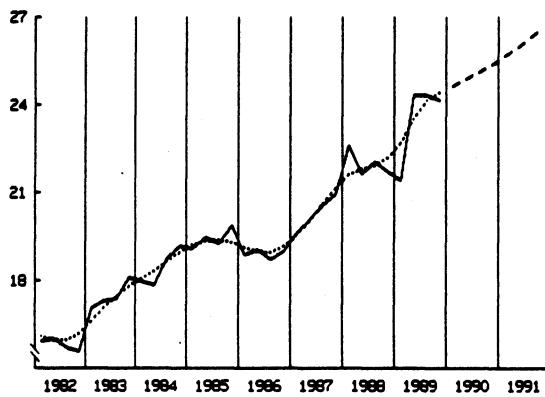


FIXED CAPITAL FORMATION, MAINLAND NORWAY 1)
1000 million 1987-kroner. Seasonally adjusted and smoothed

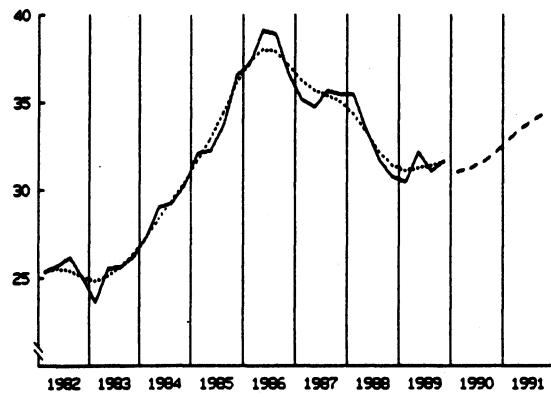


1) Excl. oil and ocean transport.

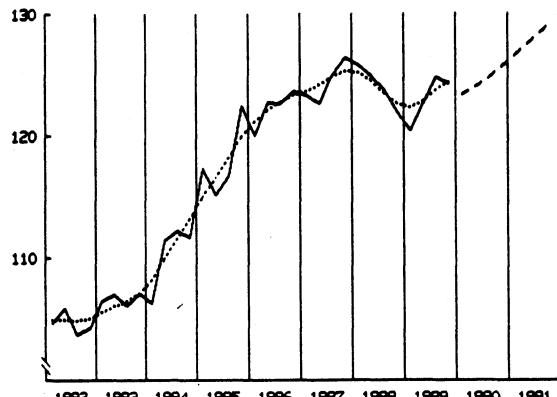
EXPORTS OF TRADITIONAL GOODS
1000 million 1987-kroner. Seasonally adjusted and smoothed



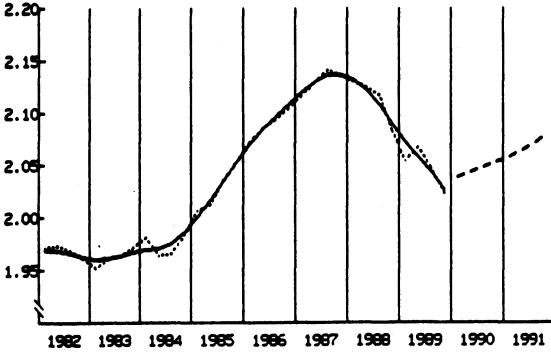
IMPORTS OF TRADITIONAL GOODS
1000 million 1987-kroner. Seasonally adjusted and smoothed



GDP, MAINLAND NORWAY
1000 million 1987-kroner. Seasonally adjusted and smoothed



EMPLOYMENT
1000 persons. Seasonally adjusted and smoothed



1*

NATIONAL ACCOUNTS FOR NORWAY

TABLE A1: EXPENDITURE ON GROSS DOMESTIC PRODUCT. 1)

At constant 1987-prices. Million kroner

	1988*	1989*	1988				1989			
			1st	2nd	3rd	4th	1st	2nd	3rd	4th
			quarter a)							
Gross domestic product .	569111	582389	141343	138948	142015	146807	138751	142665	147796	153178
Final domestic use of goods and services	565629	552985	140229	140437	140381	144581	130906	135292	138238	148549
Private final consump- tion expenditure	290891	285801	70694	71078	71780	77339	66926	70025	71515	77334
Government final consumption	116226	118638	28188	29058	28884	30095	27949	29974	28942	31773
Central government .	44197	46168	10292	10930	10764	12211	9991	11936	10781	13461
Civilian	27502	28316	6480	7345	6753	6925	6591	7262	6933	7531
Military	16695	17853	3812	3585	4011	5286	3400	4674	3849	5930
Local government ...	72028	72470	17896	18128	18120	17884	17958	18039	18161	18312
Gross capital forma- tion	158513	148546	41348	40301	39717	37147	36031	35293	37781	39441
Gross fixed capital formation	160830	153875	34435	50748	36544	39103	28630	43436	37557	44252
Investment in oil activity	28094	34303	2483	17234	4864	3513	1129	15228	9369	8577
Buildings and other construction	80576	67974	20256	19882	20146	20293	16609	16632	16429	18304
Ships and boats ..	13046	17556	2142	3728	2104	5072	3503	3442	3354	7257
Other transport equipment	6891	5356	2353	1346	1632	1560	1111	1115	1440	1690
Other machinery and equipment	32223	28687	7201	8558	7799	8665	6278	7019	6966	8423
Increase in stocks .	-2317	-5329	6912	-10447	3173	-1956	7401	-8143	224	-4811
Oil platforms in progress	-1169	-229	3681	-9098	1892	2355	3769	-7330	1568	1763
Exports	209784	235099	52467	50597	51191	55529	55590	59183	60114	60212
- Imports	206301	205694	51354	52086	49557	53303	47745	51809	50557	55583

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

2*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A2: GROSS DOMESTIC PRODUCT BY KIND OF ECONOMIC ACTIVITY 1)
At constant 1987-prices. Million kroner

	1988*	1989*	1988-----				1989-----			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter
			a)				a)			
Gross domestic product .	569111	582389	141343	138948	142015	146807	138751	142665	147796	153178
Industries	442111	455242	109698	107222	110973	114218	108939	110830	116126	119346
Agriculture, hunting, forestry and fishing etc.	19396	20650	3784	2175	8694	4742	3875	2350	9445	4980
Agriculture	10416	10987	1093	36	7026	2262	1167	-257	7576	2500
Forestry	3420	3411	1407	933	258	822	1410	881	272	849
Fishing and breeding of fish	5559	6252	1284	1206	1410	1659	1299	1725	1598	1630
Production and pipe- line transport of crude petroleum and natural gas	62914	79328	16133	14671	15120	16990	19015	19485	19660	21168
Crude petroleum and natural gas pro- duction	56685	72147	14447	13201	13686	15350	17217	17757	17959	19214
Pipeline transport .	6230	7181	1686	1470	1434	1640	1798	1728	1701	1954
Manufacturing, mining and quarrying	85438	85689	22024	21902	19346	22166	21496	22109	19769	22315
Mining and quarrying	1581	1697	368	430	396	386	386	452	420	439
Sheltered manu- facturing	23713	23777	5877	6119	5497	6220	5732	6236	5684	6125
Export-oriented manufacturing	17431	18131	4443	4389	4147	4452	4616	4512	4346	4657
Import-competing manufacturing	42713	42084	11336	10964	9307	11107	10761	10910	9318	11095
Electricity supply ...	22204	24020	6298	4773	4713	6420	6553	5605	5128	6733
Construction	34673	30400	8570	8668	8680	8755	7203	7468	7456	8274
Wholesale and retail trade	57347	56331	14075	14285	13796	15191	12652	13997	13913	15768
Ocean transport and oil well drilling	9284	10692	2242	2318	2359	2365	2432	2600	2785	2876
Ocean transport	7436	8882	1777	1893	1908	1858	2040	2162	2331	2350
Oil and gas explora- tion and drilling ..	1849	1810	465	425	451	508	392	438	454	526
Transport, storage and communication	33983	34220	7819	9194	8493	8477	7685	8833	8992	8710
Dwellings	22883	23689	5659	5700	5741	5783	5881	5909	5936	5962
Other industries	93989	90222	23096	23535	24029	23329	22147	22473	23043	22559
Hotels and restaurants	8826	8625	2058	2237	2625	1906	1912	2158	2647	1908
Financial services .	27823	26298	6985	6960	6997	6881	6670	6547	6547	6535
Business services, rentals and commer- cial buildings	29145	27765	7079	7333	7400	7333	6799	6935	6986	7045
Other services	28195	27534	6974	7006	7007	7208	6766	6833	6863	7071
Producers of government services	87639	89512	21475	22256	21867	22041	21814	22572	22320	22807
Producers of central government services ..	26221	26765	6228	6897	6456	6639	6281	6920	6575	6989
Defence	6944	7034	1608	1773	1782	1780	1623	1839	1747	1826
Education	5171	5332	1273	1404	1150	1343	1240	1364	1245	1483
Health and social welfare services ...	1638	1618	391	438	403	405	390	422	397	410
Other services	12469	12780	2955	3282	3121	3110	3028	3295	3187	3270
Producers of local government services ..	61418	62747	15247	15359	15410	15402	15533	15652	15745	15818
Education	19468	19904	4773	4890	4925	4879	4930	4976	4998	5000
Health and social welfare services ...	30262	30915	7558	7535	7554	7615	7680	7698	7738	7799
Other services	11689	11929	2916	2934	2931	2907	2923	2978	3010	3019
Correction sectors	39365	37639	10170	9470	9176	10549	7998	9264	9350	11026
MEMO:										
Mainland Norway	496916	492373	122969	121959	124536	127452	117305	120582	125352	129135
Sheltered activities	426213	420797	104131	104038	109018	109026	98832	102102	109398	110465
Export-oriented activities	19012	19828	4811	4819	4543	4839	5002	4963	4766	5096
Import-competing activities	51692	51748	14027	13102	10975	13588	13470	13516	11188	13574

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

3*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A3: GROSS OUTPUT BY KIND OF ECONOMIC ACTIVITY. 1)

At constant 1987-prices. Million kroner

	1988*	1989*	1988				1989			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter a)
Gross output	1109978	1127124	275557	274924	272228	287269	268963	280719	280326	297116
Industries	915203	932259	227891	226813	224420	236079	223662	232297	232417	243883
Agriculture, hunting, forestry and fishing etc.	40163	41649	7893	8862	14121	9287	7891	9391	14948	9419
Agriculture	25920	26135	3886	5551	11216	5267	3854	5180	11681	5421
Forestry	3975	3965	1636	1084	300	955	1639	1024	316	986
Fishing and breeding of fish	10268	11549	2372	2227	2605	3064	2399	3187	2952	3012
Production and pipe- line transport of crude petroleum and natural gas	88214	111445	22591	20566	21221	23836	26689	27385	27644	29727
Crude petroleum and natural gas pro- duction	81285	103458	20717	18930	19626	22012	24689	25464	25752	27553
Pipeline transport .	6929	7987	1875	1635	1595	1824	2000	1922	1892	2174
Manufacturing, mining and quarrying	279599	281450	72142	71811	63692	71954	69945	72417	65894	73195
Mining and quarrying	3695	3966	860	1005	926	903	902	1056	982	1026
Sheltered manu- facturing	84566	85176	20949	21897	19549	22170	20255	22190	20685	22046
Export-oriented manufacturing	64768	67539	16667	16465	15540	16097	16565	16828	16551	17595
Import-competing manufacturing	126570	124769	33666	32443	27677	32784	32223	32343	27676	32528
Electricity supply ...	46160	49935	13093	9922	9799	13346	13622	11653	10661	13998
Construction	95250	83511	23542	23812	23844	24052	19786	20515	20481	22730
Wholesale and retail trade	91614	89990	22485	22820	22040	24269	20212	22361	22227	25191
Ocean transport and oil well drilling	33507	38063	8083	8188	8489	8747	8879	9628	9672	9884
Ocean transport	30731	35345	7385	7549	7812	7985	8290	8970	8990	9095
Oil and gas explora- tion and drilling ..	2776	2718	698	639	677	762	589	658	682	789
Transport, storage and communication	61427	61699	14033	15957	15310	16127	13823	15451	16220	16205
Dwellings	32583	33731	8058	8117	8174	8234	8374	8414	8452	8490
Other industries	146686	140786	35971	36759	37730	36227	34441	35082	36218	35045
Hotels and restaurants	18246	17830	4255	4625	5425	3940	3953	4461	5472	3944
Financial services .	42820	40473	10749	10712	10768	10591	10265	10076	10076	10057
Business services, rentals and commer- cial buildings	46664	44456	11334	11741	11849	11741	10886	11104	11185	11280
Other services	38956	38028	9632	9682	9687	9955	9338	9441	9485	9764
Producers of government services	130422	133805	31217	32387	32339	34479	31347	33332	32732	36394
Producers of central government services ..	48607	50537	11192	12045	11730	13640	10835	12753	11858	15091
Defence	18079	19047	4068	4058	4272	5681	3521	4800	4153	6572
Education	7277	7650	1791	1906	1582	1998	1779	1898	1751	2222
Health and social welfare services ...	2256	2206	560	595	541	560	537	578	529	563
Other services	20994	21633	4773	5486	5334	5400	4998	5477	5425	5734
Producers of local government services ..	81815	83268	20025	20342	20610	20839	20512	20579	20874	21303
Education	23018	23367	5641	5741	5804	5832	5794	5803	5852	5918
Health and social welfare services ...	37670	38516	9275	9389	9473	9534	9487	9559	9665	9804
Other services	21127	21385	5109	5212	5332	5474	5231	5217	5356	5581
Correction sectors	64353	61060	16449	15724	15469	16711	13954	15090	15176	16840
MEMO:										
Mainland Norway	988256	977617	244883	246170	242518	254686	233396	243706	243009	257505
Sheltered activities	778980	765829	189683	192945	195470	200882	179668	189269	194534	202358
Export-oriented activities	68463	71505	17527	17470	16466	17000	17468	17884	17533	18621
Import-competing activities	140813	140283	37673	35754	30582	36803	36260	36554	30943	36526

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

4*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A4: INTERMEDIATE CONSUMPTION BY KIND OF ECONOMIC ACTIVITY. 1)
At constant 1987-prices. Million kroner

	1988*	1989*	1988				1989			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter a)
Intermediate consumption	540862	544731	134214	135975	130212	140461	130211	138053	132529	143937
Industries	473092	477018	118193	119591	113447	121861	114723	121467	116291	124537
Agriculture, hunting, forestry and fishing etc.	20767	20999	4109	6687	5427	4545	4016	7041	5503	4440
Agriculture	15503	15149	2793	5515	4190	3006	2687	5436	4105	2921
Forestry	555	553	228	151	42	133	229	143	44	138
Fishing and breeding of fish	4709	5297	1088	1021	1195	1405	1100	1462	1354	1381
Production and pipe- line transport of crude petroleum and natural gas	25300	32117	6459	5894	6101	6846	7674	7900	7985	8558
Crude petroleum and natural gas pro- duction	24601	31311	6270	5729	5940	6662	7472	7706	7794	8339
Pipeline transport .	699	806	189	165	161	184	202	194	191	219
Manufacturing, mining and quarrying	194161	195761	50118	49909	44346	49789	48449	50308	46125	50880
Mining and quarrying	2114	2269	492	575	530	517	516	604	562	587
Sheltered manu- facturing	60852	61399	15073	15778	14052	15950	14523	15954	15001	15921
Export-oriented manufacturing	47337	49408	12223	12076	11393	11645	11949	12316	12205	12938
Import-competing manufacturing	83857	82685	22330	21480	18371	21677	21461	21433	18357	21433
Electricity supply ...	23956	25915	6795	5150	5085	6926	7070	6048	5533	7265
Construction	60576	53111	14972	15144	15164	15296	12583	13047	13025	14455
Wholesale and retail trade	34267	33659	8410	8536	8244	9077	7560	8364	8314	9422
Ocean transport and oil well drilling	24222	27370	5841	5870	6130	6382	6446	7028	6887	7009
Ocean transport	23295	26463	5608	5657	5904	6127	6250	6808	6659	6745
Oil and gas explora- tion and drilling ..	927	907	233	213	226	254	197	220	228	264
Transport, storage and communication	27444	27479	6215	6762	6817	7650	6138	6618	7228	7495
Dwellings	9701	10042	2399	2416	2434	2451	2493	2505	2516	2528
Other industries	52698	50564	12875	13224	13700	12898	12294	12608	13175	12487
Hotels and restaurants	9419	9205	2197	2388	2801	2034	2041	2303	2825	2036
Financial services .	14987	14175	3765	3752	3771	3709	3595	3529	3529	3522
Business services, rentals and commer- cial buildings	17519	16690	4255	4408	4449	4408	4087	4169	4199	4235
Other services	10762	10494	2658	2677	2680	2747	2571	2608	2622	2693
Producers of government services	42783	44292	9742	10130	10473	12438	9533	10760	10412	13587
Producers of central government services ..	22386	23772	4964	5148	5274	7001	4554	5833	5283	8102
Defence	11136	12013	2460	2285	2490	3901	1899	2961	2407	4746
Education	2107	2318	517	502	432	655	539	534	506	739
Health and social welfare services ...	619	588	169	156	138	155	147	156	132	153
Other services	8525	8853	1818	2204	2213	2290	1969	2182	2238	2464
Producers of local government services ..	20397	20521	4778	4983	5199	5437	4979	4927	5129	5485
Education	3550	3463	868	851	879	952	864	827	855	917
Health and social welfare services ...	7409	7601	1717	1854	1919	1918	1807	1861	1928	2005
Other services	9438	9456	2193	2277	2401	2567	2308	2239	2347	2562
Correction sectors	24988	23421	6279	6253	6292	6163	5956	5826	5826	5813
MEMO:										
Mainland Norway	491340	485244	121914	124211	117982	127233	116091	123125	117657	128371
Sheltered activities	352767	345032	85552	88907	86452	91856	80836	87167	85136	91893
Export-oriented activities	49451	51677	12715	12651	11923	12161	12465	12920	12766	13525
Import-competing activities	89122	88535	23646	22652	19607	23216	22790	23038	19755	22952

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

5*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A5: PRIVATE FINAL CONSUMPTION EXPENDITURE. 1)

at constant 1987-prices. Million kroner

	1988*	1989*	1988-----				1989-----			
			1st	2nd	3rd	4th	1st	2nd	3rd	4th
			quarter	quarter	quarter	quarter a)	quarter	quarter	quarter	quarter
Private final consumption expenditure	290891	285801	70694	71079	71780	77339	66926	70025	71515	77335
Specified domestic consumption	278680	276648	68016	67892	68094	74679	65054	67887	68681	75025
Food	55697	56039	13282	13638	13802	14975	13006	13960	13909	15164
Beverages and tobacco	19760	19185	4503	4951	4835	5471	4140	4923	4682	5441
Clothing and foot-wear	20353	19738	4674	4953	4626	6101	4315	4727	4707	5989
Rent, power and fuel	50987	51862	13838	11922	11297	13930	13674	12233	11739	14217
Furniture, furnishings and household equipment	21598	20866	5212	4849	5206	6331	4809	4630	5132	6295
Medical care and health expences	12154	12291	3045	2992	2954	3164	3091	3023	2991	3186
Transport and communication	38530	37047	9476	10179	9662	9213	8534	9760	9423	9330
Recreation, entertainment, education and cultural service	26129	26368	6265	6100	6320	7443	6093	6461	6541	7274
Other goods and services	33472	33251	7721	8307	9392	8052	7393	8171	9557	8130
Correction items	12211	9153	2678	3187	3686	2660	1872	2138	2834	2309
Direct purchases abroad by resident households	21570	18041	4496	5415	7146	4514	3759	4317	6015	3950
Direct purchases in Norway by non-resident households	-9359	-8887	-1817	-2228	-3460	-1854	-1887	-2179	-3181	-1640

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

6*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A6: GROSS FIXED CAPITAL FORMATION BY KIND OF ECONOMIC ACTIVITY. 1)
At constant 1987-prices. Million kroner

	1988*	1989*	1988				1989			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter a)
Gross fixed capital formation	160830	153876	34435	50748	36544	39103	28630	43436	37557	44252
Industries	139934	133013	29260	45817	31444	33414	24152	38638	32729	37493
Agriculture, hunting, forestry and fishing etc.	8335	7609	1740	2412	2194	1989	1503	2165	2072	1870
Agriculture	3930	3491	684	1200	1123	923	585	1060	1021	826
Forestry	612	638	74	208	171	160	75	220	178	164
Fishing and breeding of fish	3792	3479	982	1005	900	906	843	885	872	879
Production and pipeline transport of crude petroleum and natural gas	30698	36888	2856	18304	5539	4000	1855	16034	9942	9056
Crude petroleum and natural gas production	30338	36490	2796	18174	5448	3920	1832	15951	9767	8941
Pipeline transport .	360	398	59	130	90	81	24	83	175	116
Manufacturing, mining and quarrying	17443	13835	4301	4434	4102	4606	3014	3366	3448	4007
Mining and quarrying	370	516	87	97	64	121	126	119	133	138
Sheltered manufacturing	3576	2966	772	952	858	994	663	762	679	863
Export-oriented manufacturing	7900	4886	2117	1955	1788	2040	1074	1092	1184	1536
Import-competing manufacturing	5598	5466	1325	1429	1391	1451	1150	1393	1452	1471
Electricity supply ...	8996	7275	1886	2240	2147	2722	1590	1646	1602	2437
Construction	2554	2001	615	650	643	646	527	421	517	536
Wholesale and retail trade	5059	4046	1528	1302	1154	1076	845	941	1045	1215
Ocean transport and oil well drilling	9947	14283	1341	2943	1279	4384	2449	2540	2625	6669
Ocean transport	10299	15015	1417	2937	1490	4455	2902	2773	2728	6612
Oil and gas exploration and drilling ..	-352	-732	-76	6	-211	-72	-453	-233	-103	58
Transport, storage and communication	8800	7350	2700	1714	2357	2030	1868	1848	1703	1930
Dwellings	28153	23486	7109	6811	7123	7110	6080	5745	5862	5800
Other industries	19949	16240	5184	5007	4906	4850	4421	3932	3914	3973
Hotels and restaurants	188	164	54	48	51	35	33	38	51	41
Financial services .	4630	4115	1192	1175	1148	1114	1051	1014	1021	1029
Other services	15131	11961	3938	3785	3707	3701	3336	2880	2842	2903
Producers of government services	20896	20862	5176	4931	5100	5689	4478	4798	4828	6758
Producers of central government services ..	7547	8981	1752	1657	1813	2325	1442	1958	1933	3649
Education	781	920	207	184	161	230	167	186	203	363
Health and social welfare services ...	119	179	26	22	25	46	29	44	34	72
Other services	6647	7881	1520	1451	1627	2049	1245	1727	1695	3214
Producers of local government services ..	13349	11881	3424	3273	3288	3364	3036	2840	2895	3110
Education	2167	2152	576	536	525	530	604	526	504	519
Health and social welfare services ...	3613	2969	956	900	881	875	738	725	741	765
Other services	7569	6760	1892	1837	1881	1960	1695	1589	1650	1826
MEMO:										
Mainland Norway	120185	102705	30239	29501	29726	30719	24326	24862	24991	28526
Sheltered activities	101913	87719	25654	24807	25412	26041	21057	21153	21171	24338
Export-oriented activities	8270	5403	2204	2052	1853	2161	1201	1211	1317	1674
Import-competing activities	10002	9584	2381	2642	2462	2517	2068	2498	2503	2514

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

7*

NATIONAL ACCOUNTS FOR NORWAY

TABLE A7: EXPORTS. 1)

At constant 1987-prices. Million kroner

	1988*	1989*	1988				1989			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter a)
Exports, total	209784	235099	52467	50597	51191	55529	55590	59183	60114	60212
Commodities	152971	174115	38655	36551	36129	41636	41318	43989	43623	45185
Crude petroleum and natural gas from the North Sea	59436	75157	14885	13756	14053	16742	18566	18389	19095	19107
New ships	2100	1333	487	597	407	610	501	134	278	420
Second-hand ships ...	2288	2394	302	179	455	1352	294	473	1092	535
New oil platforms and modules	25	27	0	16	4	4	2	0	12	13
Second-hand oil platforms	467	835	85	0	219	164	457	250	128	0
Direct exports related to oil activities	150	94	21	41	54	34	7	18	31	39
Other commodities ...	88504	94275	22877	21962	20937	22730	21492	24724	22987	25071
Agricultural commodities and commodities from forestry and fishing	4528	5308	1059	1126	900	1443	1196	1452	1081	1578
Commodities from mining and quarrying	1539	1652	323	402	356	458	364	422	401	466
Manufacturing goods	81845	85940	21457	20353	19454	20582	19801	22449	21105	22585
Foods, beverages and tobacco	10550	10851	2728	2394	2464	2964	2367	2724	2718	3042
Commodities from printing and publishing	170	188	39	39	46	46	43	45	45	55
Paper and paper products	7968	8273	2022	1959	1983	2004	2021	2171	1993	2088
Industrial chemicals	7190	7760	1853	2082	1782	1474	1836	1971	1973	1980
Refined petroleum products	4951	5102	1281	1227	1470	974	840	1188	1519	1556
Metals	20980	21143	5428	5108	5098	5346	5148	5527	5000	5468
Textiles, wearing apparel and footwear	1556	1487	432	366	340	417	327	378	352	430
Wood and wood products, furniture and fixtures	1276	2196	316	295	274	391	434	622	471	669
Chemical and mineral products.	8352	8766	2153	2060	1949	2190	2134	2127	2079	2427
Other manufacturing goods	18851	20173	5204	4824	4048	4775	4652	5694	4956	4872
Electricity	592	1375	38	81	227	247	131	402	399	443
Services	56813	60984	13812	14046	15062	13893	14272	15194	16492	15027
Gross receipts from shipping	28326	32644	6805	6970	7207	7344	7651	8287	8317	8388
Gross receipts from oil drilling	103	213	24	27	27	25	56	58	39	61
Direct exports of services related to other oil activities	1069	1009	277	250	252	290	307	263	240	200
Pipeline services ...	3250	3317	936	778	708	828	884	773	731	929
Direct purchases in Norway by non-resident households..	9359	8887	1817	2228	3460	1854	1887	2179	3181	1640
Other services	14706	14914	3953	3793	3409	3552	3487	3634	3984	3809

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

8*

NATIONAL ACCOUNTS FOR NORWAY

TABLE A8: IMPORTS. 1)

At constant 1987-prices. Million kroner

	1988*	1989*	1988				1989			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter a)
Imports, total	206301	205694	51354	52086	49557	53303	47745	51809	50557	55583
Commodities	145943	144249	37651	37081	32340	38872	33542	36521	33573	40612
New and second-hand ships	11298	16177	1415	2480	1772	5631	2912	2811	3628	6826
New and second-hand oil platforms and modules	771	165	381	238	65	87	100	6	31	28
Direct imports related to oil activities	743	1800	131	198	169	245	346	550	528	377
Other commodities ...	133131	126106	35724	34165	30334	32908	30185	33153	29386	33382
Agricultural commodities and commodities from forestry and fishing	5307	5047	1586	1353	1025	1343	1484	1375	1035	1153
Crude petroleum ...	1093	687	341	225	300	227	139	219	173	156
Commodities from mining and quarrying	1885	1926	492	476	480	437	496	460	451	519
Manufacturing goods	124763	118419	33286	32073	28516	30887	28060	31096	27722	31541
Foods, beverages and tobacco	5709	6208	1268	1402	1392	1647	1416	1551	1595	1646
Commodities from printing and publishing	1857	1803	454	444	472	487	437	418	469	478
Paper and paper products	3923	4029	1002	937	920	1065	996	1040	935	1058
Industrial chemicals	6535	6465	1556	1819	1475	1684	1546	1821	1523	1576
Refined petroleum products	3149	3220	585	657	656	1252	889	867	694	770
Metals	10222	10219	2473	2461	2596	2692	2527	2761	2149	2782
Textiles, wearing apparel and footwear	12465	12352	3537	2741	3296	2890	3118	2746	3162	3327
Wood and wood products, furniture and fixtures	5417	4265	1510	1450	1160	1297	1016	1112	947	1190
Chemical and mineral products.	23334	23168	5910	5952	5540	5931	5390	5992	5428	6359
Other manufacturing goods	45938	40443	12638	12718	9757	10825	9781	10507	9229	10926
Transport equipment etc. (non-competing)	6214	6246	2353	1494	1252	1116	945	2282	1590	1429
Electricity	84	27	19	37	13	14	6	4	5	12
Services	60358	61445	13703	15005	17218	14432	14202	15288	16984	14970
Gross expenditures for shipping.....	20922	23774	5024	5088	5293	5517	5606	6109	5982	6077
Gross expenditures for oil drilling	255	609	68	63	62	61	86	137	203	183
Direct imports related to other oil activities	2507	3243	503	584	847	574	755	831	821	835
Direct purchases in Norway by resident households.....	22038	18515	4584	5516	7282	4655	3860	4431	6125	4099
Other services	14636	15305	3523	3754	3734	3625	3896	3779	3853	3777

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

NATIONAL ACCOUNTS FOR NORWAY

TABLE A9: EXPENDITURE ON GROSS DOMESTIC PRODUCT. 1)

Million kroner

	1988*	1989*	1988-----				1989-----			
			1st	2nd	3rd	4th	1st	2nd	3rd	4th
			quarter	quarter	quarter	quarter	quarter	quarter	quarter	quarter a)
Gross domestic product .	594242	640343	145556	145858	149089	153739	150141	158224	162339	169639
Final domestic use of goods and services	598579	613784	144777	148346	149298	156157	142202	149733	153799	168049
Private final consumption expenditure	308753	316648	73756	75205	76611	83181	72951	77550	79707	86440
Government final consumption	122614	130436	29291	30626	30658	32039	29628	33140	32218	35450
Central government .	46675	50683	10700	11541	11427	13008	10648	13151	11938	14946
Civilian	29060	31144	6754	7765	7171	7370	7019	8048	7690	8388
Military	17615	19539	3945	3776	4256	5637	3629	5103	4249	6558
Local government ...	75939	79754	18592	19085	19231	19032	18980	19989	20280	20505
Gross capital formation	167211	166700	41730	42515	42030	40937	39624	39043	41874	46159
Gross fixed capital formation	170864	173920	35318	53573	38920	43053	31670	48551	42172	51528
Investment in oil activity	30247	39348	2630	18340	5351	3926	1488	17307	10652	9900
Buildings and other construction	85316	73932	21055	21065	21360	21835	17766	18176	17927	20062
Ships and boats ..	15340	24951	2236	4124	2515	6466	4781	4630	4762	10779
Other transport equipment	6673	5348	2229	1292	1549	1603	1025	1025	1489	1809
Other machinery and equipment	33288	30341	7168	8753	8145	9222	6610	7412	7340	8979
Increase in stocks .	-3653	-7221	6412	-11058	3109	-2116	7954	-9508	-298	-5369
Oil platforms in progress	-1276	-404	3831	-9662	2027	2528	4116	-8290	1770	2000
Exports	213117	260976	52566	51169	52697	56685	60482	66707	66645	67142
- Imports	217453	234417	51787	53657	52906	59103	52543	58216	58105	65552

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

10*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A10: GROSS DOMESTIC PRODUCT BY KIND OF ECONOMIC ACTIVITY 1)
Million kroner

	1988*	1989*	1988				1989			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter a)
Gross domestic product .	594242	640343	145556	145858	149089	153739	150141	158224	162339	169639
Industries	459975	502990	113002	112113	115971	118890	118820	123863	127758	132549
Agriculture, hunting, forestry and fishing etc.	18523	18480	3714	1973	8568	4268	3703	1594	9048	4135
Agriculture	9642	10172	926	-183	6980	1918	1057	-676	7691	2100
Forestry	3635	3872	1470	973	281	911	1587	986	303	996
Fishing and breeding of fish	5246	4435	1318	1183	1307	1438	1059	1284	1054	1038
Production and pipe- line transport of crude petroleum and natural gas	49436	75427	13656	12126	11816	11837	16851	19487	18338	20751
Crude petroleum and natural gas pro- duction	44152	69579	12237	10870	10630	10416	15362	18068	16957	19192
Pipeline transport .	5284	5848	1419	1256	1187	1422	1489	1419	1382	1559
Manufacturing, mining and quarrying	97633	103464	24423	24537	22336	26336	26143	26710	23629	26983
Mining and quarrying	1712	1967	397	461	432	421	462	517	489	498
Sheltered manu- facturing	26906	28355	6699	6820	6032	7355	6627	7254	6745	7729
Export-oriented manufacturing	23623	28235	5351	5594	5882	6796	7365	7313	6743	6813
Import-competing manufacturing	45392	44908	11976	11662	9991	11764	11689	11625	9650	11943
Electricity supply ...	23974	26193	6720	5326	5085	6843	7264	6161	5513	7254
Construction	36620	32444	8945	9257	9071	9347	7487	8080	7979	8899
Wholesale and retail trade	62026	63455	14847	15563	15313	16302	14131	16228	15661	17435
Ocean transport and oil well drilling	12808	17222	3074	3000	3181	3553	3936	3902	4633	4750
Ocean transport	10482	14660	2552	2477	2578	2874	3417	3280	3990	3973
Oil and gas explora- tion and drilling ..	2327	2562	522	523	603	679	519	622	643	778
Transport, storage and communication	35232	37453	7996	9555	8801	8881	8417	9691	9865	9481
Dwellings	25014	28082	5850	6258	6397	6509	6775	6949	7118	7238
Other industries	98708	100770	23776	24518	25402	25013	24114	25063	25972	25622
Hotels and restaurants	9587	10059	2166	2409	2881	2130	2187	2484	3141	2247
Financial services .	27688	28667	6797	6785	6981	7126	7174	7115	7122	7254
Business services, rentals and commer- cial buildings	31452	31027	7536	7876	8057	7983	7400	7755	7883	7989
Other services	29981	31017	7277	7447	7483	7774	7352	7709	7825	8131
Producers of government services	92316	98304	22337	23462	23157	23361	22951	25020	24880	25453
Producers of central government services ..	27723	29387	6513	7317	6848	7046	6650	7680	7295	7761
Defence	7361	7752	1686	1886	1896	1894	1722	2049	1946	2035
Education	5510	5888	1342	1501	1229	1437	1322	1522	1388	1657
Health and social welfare services ...	1739	1789	411	467	429	432	416	471	443	458
Other services	13112	13958	3074	3462	3293	3282	3191	3638	3518	3612
Producers of local government services ..	64593	68917	15824	16145	16309	16316	16300	17340	17585	17692
Education	20850	22355	5004	5236	5328	5282	5273	5637	5717	5727
Health and social welfare services ...	31531	33577	7798	7846	7907	7979	7976	8435	8544	8622
Other services	12213	12986	3021	3063	3074	3055	3051	3267	3325	3343
Correction sectors	41955	39054	10218	10285	9963	11489	8371	9343	9701	11638
MEMO:										
Mainland Norway	532002	547698	128826	130733	134092	138350	129355	134837	139368	144138
Sheltered activities	452394	464282	108315	110859	116200	117019	107193	113112	121128	122849
Export-oriented activities	25335	30202	5748	6055	6314	7217	7827	7830	7233	7311
Import-competing activities	54274	53215	14763	13818	11578	14114	14335	13895	11008	13977

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

11*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A11: GROSS OUTPUT BY KIND OF ECONOMIC ACTIVITY. 1)
Million kroner

	1988*	1989*	1988				1989			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter a)
Gross output	1161673	1242139	283581	287361	287087	303645	291241	311018	309581	330300
Industries	958004	1031219	234974	237037	236716	249277	243451	258664	257307	271797
Agriculture, hunting, forestry and fishing										
etc.	40064	41066	7990	8906	14216	8953	8006	9193	14957	8910
Agriculture	25818	26647	3861	5553	11354	5049	3997	5236	12144	5270
Forestry	4208	4469	1705	1130	324	1049	1832	1141	350	1146
Fishing and breeding of fish	10038	9950	2423	2223	2537	2854	2177	2816	2463	2494
Production and pipe- line transport of crude petroleum and natural gas	76130	110713	20365	18332	18302	19130	25001	28217	27211	30283
Crude petroleum and natural gas pro- duction	70105	103977	18749	16902	16944	17510	23302	26582	25615	28477
Pipeline transport .	6025	6736	1616	1430	1359	1620	1699	1635	1596	1806
Manufacturing, mining and quarrying	300227	319179	75458	76329	69250	79190	78525	82340	74861	83452
Mining and quarrying	3938	4487	905	1065	997	970	1021	1190	1117	1159
Sheltered manu- facturing	89512	93034	22070	23000	20705	23737	21792	24056	22751	24435
Export-oriented manufacturing	72357	84059	17506	17983	17768	19099	20471	21436	20587	21566
Import-competing manufacturing	134421	137598	34977	34281	29779	35384	35241	35658	30406	36293
Electricity supply ...	50176	55961	14151	10803	10660	14561	15391	12980	11880	15710
Construction	100834	91033	24465	25222	25277	25870	21159	22448	22393	25033
Wholesale and retail trade	98640	101191	23677	24650	24187	26125	22424	25611	25035	28122
Ocean transport and oil well drilling	37686	48261	8869	8801	9654	10362	11001	12054	12501	12705
Ocean transport	34373	44687	8103	8051	8809	9410	10269	11187	11601	11630
Oil and gas explora- tion and drilling ..	3312	3575	766	749	845	952	732	867	900	1075
Transport, storage and communication	64266	68017	14457	16673	16082	17053	15065	17071	17952	17929
Dwellings	35273	39047	8343	8813	8978	9139	9440	9697	9880	10030
Other industries	154709	156753	37200	38507	40108	38893	37439	39053	40638	39624
Hotels and restaurants	19584	20163	4445	4919	5906	4315	4389	5003	6258	4513
Financial services .	43651	44432	10735	10768	11029	11120	11084	11056	11074	11218
Business services, rentals and commer- cial buildings	50111	49623	12003	12560	12824	12725	11853	12416	12587	12768
Other services	41362	42535	10018	10260	10350	10734	10113	10578	10719	11125
Producers of government services	137555	147063	32434	34121	34310	36690	33221	36839	36416	40586
Producers of central government services ..	51334	55489	11636	12717	12452	14529	11547	14055	13131	16756
Defence	19075	20853	4210	4274	4532	6059	3758	5241	4585	7268
Education	7722	8440	1877	2025	1688	2132	1897	2110	1949	2485
Health and social welfare services ...	2394	2432	586	631	577	600	574	641	589	629
Other services	22143	23765	4962	5787	5655	5739	5318	6063	6009	6375
Producers of local government services ..	86221	91574	20798	21404	21858	22161	21674	22784	23285	23830
Education	24605	26187	5907	6133	6264	6300	6205	6557	6669	6756
Health and social welfare services ...	39392	41940	9587	9800	9955	10051	9922	10475	10681	10861
Other services	22224	23447	5305	5471	5639	5809	5547	5752	5935	6213
Correction sectors	66115	63857	16173	16203	16061	17678	14569	15514	15857	17917
MEMO:										
Mainland Norway	1047858	1083164	254347	260228	259130	274152	255238	270746	269869	287312
Sheltered activities	822896	842601	196830	203546	207724	214795	194497	208505	214946	224655
Export-oriented activities	76294	88546	18412	19048	18765	20069	21492	22626	21704	22725
Import-competing activities	148668	152017	39105	37633	32641	39288	39250	39615	33219	39933

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

12*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A12: INTERMEDIATE CONSUMPTION BY KIND OF ECONOMIC ACTIVITY. 1)
Million kroner

	1988*	1989*	1988				1989			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter a)
Intermediate consumption	567428	601792	138024	141502	137997	149904	141099	152792	147241	160660
Industries	498029	528230	121973	124924	120745	130387	124631	134802	129549	139249
Agriculture, hunting, forestry and fishing etc.	21541	22586	4276	6932	5648	4685	4303	7600	5909	4775
Agriculture	16176	16474	2935	5736	4374	3131	2940	5912	4453	3170
Forestry	574	597	235	157	44	138	245	155	47	150
Fishing and breeding of fish	4792	5515	1105	1040	1230	1416	1119	1532	1408	1455
Production and pipe- line transport of crude petroleum and natural gas	26694	35286	6709	6207	6486	7293	8151	8731	8873	9531
Crude petroleum and natural gas pro- duction	25953	34397	6512	6033	6314	7094	7940	8514	8659	9285
Pipeline transport .	741	888	197	174	172	198	211	217	214	247
Manufacturing, mining and quarrying	202595	215714	51035	51792	46914	52854	52382	55630	51233	56470
Mining and quarrying	2226	2520	508	604	565	549	559	673	628	661
Sheltered manu- facturing	62606	64680	15371	16180	14673	16381	15166	16802	16006	16706
Export-oriented manufacturing	48734	55825	12155	12389	11887	12303	13106	14122	13844	14753
Import-competing manufacturing	89029	92690	23001	22619	19789	23620	23552	24033	20756	24350
Electricity supply ...	26202	29768	7431	5478	5575	7718	8127	6819	6367	8455
Construction	64213	58589	15519	15965	16206	16523	13672	14369	14414	16134
Wholesale and retail trade	36614	37736	8830	9087	8874	9823	8293	9383	9373	10687
Ocean transport and oil well drilling	24878	31040	5795	5801	6473	6810	7065	8153	7868	7955
Ocean transport	23892	30027	5551	5574	6231	6537	6852	7907	7611	7657
Oil and gas explora- tion and drilling ..	986	1013	244	226	242	273	213	246	256	298
Transport, storage and communication	29033	30564	6461	7119	7282	8172	6649	7380	8087	8448
Dwellings	10259	10965	2493	2556	2581	2630	2665	2748	2760	2792
Other industries	56000	55983	13424	13989	14706	13881	13325	13990	14666	14002
Hotels and restaurants	9997	10103	2278	2510	3024	2185	2202	2519	3117	2265
Financial services .	15963	15765	3939	3983	4048	3994	3910	3940	3952	3963
Business services, rentals and commer- cial buildings	18659	18596	4467	4683	4767	4742	4452	4661	4704	4779
Other services	11381	11518	2741	2813	2867	2960	2761	2870	2893	2995
Producers of government services	45239	48759	10097	10660	11153	13329	10270	11819	11536	15134
Producers of central government services ..	23611	26102	5122	5401	5604	7484	4897	6375	5836	8995
Defence	11713	13101	2524	2388	2636	4165	2037	3192	2639	5234
Education	2213	2552	535	524	459	695	576	588	560	828
Health and social welfare services ...	654	643	175	164	148	167	157	169	146	170
Other services	9031	9807	1888	2324	2361	2457	2127	2425	2491	2763
Producers of local government services ..	21628	22657	4975	5259	5549	5845	5374	5445	5700	6139
Education	3755	3832	903	897	936	1019	932	919	952	1029
Health and social welfare services ...	7862	8363	1789	1954	2048	2071	1946	2040	2138	2239
Other services	10011	10461	2283	2408	2565	2755	2496	2485	2610	2871
Correction sectors	24160	24803	5954	5919	6098	6189	6197	6171	6156	6278
MEMO:										
Mainland Norway	515856	535466	125521	129495	125038	135802	125883	135909	130500	143174
Sheltered activities	370502	378320	88516	92687	91524	87776	87304	95393	93818	101806
Export-oriented activities	50960	58345	12663	12993	12452	12852	13665	14795	14471	15414
Import-competing activities	94394	98802	24342	23815	21063	25174	24915	25720	22212	25955

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

13*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A13: PRIVATE FINAL CONSUMPTION EXPENDITURE. 1)

Million kroner

	1988*	1989*	1988-----				1989-----			
			1st	2nd	3rd	4th	1st	2nd	3rd	4th
			quarter	quarter	quarter	quarter	quarter	quarter	quarter	quarter a)
Private final consumption expenditure	308754	316649	73756	75206	76611	83182	72951	77550	79707	86440
Specified domestic consumption	296163	306660	71011	72015	72809	80327	70947	75246	76610	83857
Food	58927	60978	13842	14358	14726	16002	13962	15177	15299	16541
Beverages and tobacco	21121	21547	4777	5252	5184	5907	4627	5515	5267	6138
Clothing and foot-wear	21562	21582	4746	5303	4847	6666	4534	5234	5084	6730
Rent, power and fuel	55187	59478	14623	12939	12355	15270	15365	13999	13593	16521
Furniture, furnishings and household equipment	22874	22904	5410	5115	5554	6794	5238	5086	5662	6917
Medical care and health expences	12559	13172	3105	3080	3065	3310	3216	3246	3240	3471
Transport and communication	40879	41380	9956	10767	10286	9869	9407	10925	10583	10465
Recreation, entertainment, education and cultural service	27415	28762	6489	6399	6686	7840	6557	7024	7180	8000
Other goods and services	35640	36857	8063	8801	10105	8671	8042	9039	10703	9073
Correction items	12591	9989	2744	3191	3802	2854	2005	2304	3097	2583
Direct purchases abroad by resident households	22568	19932	4639	5550	7517	4862	4075	4734	6684	4438
Direct purchases in Norway by non-resident households	-9977	-9943	-1895	-2359	-3715	-2008	-2070	-2430	-3588	-1855

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

14*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A14: GROSS FIXED CAPITAL FORMATION BY KIND OF ECONOMIC ACTIVITY. 1)
Million kroner

	1988*	1989*	1988				1989			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter a)
Gross fixed capital formation	170864	173921	35318	53573	38920	43053	31670	48551	42172	51528
Industries	148842	151285	29984	48381	33531	36947	26902	43340	36926	44116
Agriculture, hunting, forestry and fishing etc.	8997	9003	1786	2560	2395	2256	1762	2508	2469	2266
Agriculture	4097	3728	689	1245	1179	984	615	1133	1095	885
Forestry	644	688	74	219	180	171	80	239	192	176
Fishing and breeding of fish	4257	4588	1023	1097	1036	1101	1067	1135	1181	1204
Production and pipeline transport of crude petroleum and natural gas	32942	42132	3011	19444	6050	4437	2249	18181	11277	10424
Crude petroleum and natural gas production	32541	41663	2948	19301	5948	4344	2223	18085	11071	10285
Pipeline transport	402	468	63	143	103	93	27	96	206	139
Manufacturing, mining and quarrying	18180	14770	4369	4595	4299	4917	3183	3588	3677	4322
Mining and quarrying	385	552	87	100	67	130	134	126	142	149
Sheltered manufacturing	3714	3158	778	982	895	1059	696	810	722	929
Export-oriented manufacturing	8256	5219	2165	2034	1878	2178	1137	1163	1262	1657
Import-competing manufacturing	5826	5842	1339	1479	1458	1550	1216	1488	1551	1587
Electricity supply ...	9451	7768	1932	2342	2262	2916	1688	1767	1711	2601
Construction	2644	2115	618	670	669	688	553	444	547	570
Wholesale and retail trade	5077	4150	1491	1311	1153	1122	838	941	1085	1286
Ocean transport and oil well drilling	11832	20567	1401	3254	1569	5609	3493	3465	3727	9882
Ocean transport	12177	21335	1477	3248	1779	5673	3964	3714	3840	9817
Oil and gas exploration and drilling ..	-344	-768	-76	6	-210	-65	-471	-249	-113	65
Transport, storage and communication	8957	7748	2663	1736	2408	2151	1933	1921	1811	2083
Dwellings	29819	25600	7392	7219	7555	7653	6505	6290	6412	6392
Other industries	20941	17430	5321	5250	5171	5199	4698	4234	4209	4289
Hotels and restaurants	188	168	52	48	52	36	33	38	53	44
Financial services ..	4826	4413	1210	1221	1205	1191	1112	1087	1096	1119
Other services	15927	12849	4059	3981	3915	3972	3553	3109	3060	3127
Producers of government services	22022	22636	5334	5193	5389	6106	4767	5211	5246	7412
Producers of central government services ..	7955	9755	1803	1744	1914	2494	1531	2122	2099	4002
Education	818	990	211	192	169	245	178	201	218	393
Health and social welfare services ...	125	194	26	23	27	49	31	48	37	78
Other services	7013	8571	1565	1529	1719	2200	1323	1873	1844	3531
Producers of local government services ..	14066	12882	3532	3448	3475	3611	3236	3089	3147	3410
Education	2277	2325	592	563	555	568	643	571	545	566
Health and social welfare services ...	3803	3216	985	947	931	939	786	788	805	837
Other services	7986	7341	1954	1938	1989	2105	1807	1730	1797	2006
MEMO:										
Mainland Norway	126089	111222	30906	30876	31301	33007	25927	26905	27168	31222
Sheltered activities	106723	94334	26217	25947	26681	27877	22294	22753	22839	26448
Export-oriented activities	8640	5771	2252	2134	1946	2308	1271	1289	1404	1806
Import-competing activities	10726	11117	2436	2794	2674	2822	2362	2862	2925	2968

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

15*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A15: EXPORTS. 1)

Million kroner

	1988*	1989*	1988				1989			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter a)
Exports, total	213117	260977	52566	51169	52697	56685	60482	66708	66646	67142
Commodities	152130	189436	38041	36498	36413	41179	44089	48977	47030	49339
Crude petroleum and natural gas from the North Sea	48514	73111	13083	11785	11408	12237	16907	18742	18318	19144
New ships	2213	1473	497	626	433	658	545	150	308	470
Second-hand ships ...	3023	3986	324	206	596	1897	472	762	1844	909
New oil platforms and modules	26	31	0	17	4	4	2	0	14	15
Second-hand oil platforms	467	883	85	0	219	164	475	267	141	0
Direct exports related to oil activities	163	111	22	44	60	38	10	20	35	45
Other commodities ...	97724	109841	24030	23821	23693	26181	25677	29037	26371	28756
Agricultural commodities and commodities from forestry and fishing	4772	4770	1199	1165	965	1443	1173	1282	949	1366
Commodities from mining and quarrying	1646	1960	337	420	392	497	443	493	477	548
Manufacturing goods	90812	102361	22459	22169	22145	24038	23965	27060	24767	26569
Foods, beverages and tobacco	10818	10680	2804	2451	2495	3067	2399	2695	2592	2993
Commodities from printing and publishing	183	210	42	41	50	50	47	51	51	62
Paper and paper products	8667	9937	2117	2096	2156	2298	2326	2586	2451	2573
Industrial chemicals	7912	8606	1946	2284	2025	1657	2116	2286	2120	2084
Refined petroleum products	4553	5962	1214	1159	1296	883	883	1425	1727	1927
Metals	26678	31769	6027	6209	6851	7592	7897	8571	7576	7725
Textiles, wearing apparel and footwear	1603	1560	417	382	360	444	345	396	372	447
Wood and wood products, furniture and fixtures	1378	2427	335	311	302	431	479	659	525	763
Chemical and mineral products.	8900	9568	2342	2139	2052	2367	2307	2341	2285	2635
Other manufacturing goods	20120	21644	5214	5097	4559	5249	5166	6049	5068	5360
Electricity	494	749	35	67	190	202	96	201	178	273
Services	60987	71541	14526	14671	16284	15506	16393	17730	19616	17802
Gross receipts from shipping	31766	41541	7491	7426	8145	8704	9542	10394	10812	10793
Gross receipts from oil drilling	124	281	27	31	34	32	69	77	51	83
Direct exports of services related to other oil activities	1128	1105	288	264	268	309	326	290	267	222
Pipeline services ...	2340	2054	676	572	470	623	581	483	431	557
Direct purchases in Norway by non-resident households...	9977	9943	1895	2359	3715	2008	2070	2430	3588	1855
Other services	15651	16617	4149	4019	3652	3831	3804	4056	4466	4290

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

16*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A16: IMPORTS. 1)

Million kroner

	1988*	1989*	1988-----				1989-----			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter a)
Imports, total	217454	234417	51787	53657	52906	59103	52543	58216	58105	65552
Commodities	154359	165236	37791	38331	34650	43588	36985	40859	38847	48545
New and second-hand ships	14366	25808	1512	2832	2306	7716	4420	4333	5973	11082
New and second-hand oil platforms and modules	808	180	396	250	69	94	110	7	30	32
Direct imports related to oil activities	785	1982	136	208	179	261	367	608	587	420
Other commodities ...	138399	137266	35746	35040	32095	35517	32087	35911	32256	37011
Agricultural commodities and commodities from forestry and fishing	5461	5422	1588	1391	1068	1414	1480	1515	1130	1297
Crude petroleum ...	823	634	260	175	230	158	118	191	173	154
Commodities from mining and quarrying	1987	2298	484	485	535	482	499	568	561	670
Manufacturing goods	130040	128877	33394	32950	30247	33448	29983	33633	30385	34875
Foods, beverages and tobacco	5823	6395	1275	1418	1417	1712	1436	1602	1641	1716
Commodities from printing and publishing	1923	1929	461	458	481	522	458	452	507	513
Paper and paper products	4048	4350	1039	970	933	1106	1062	1113	1011	1163
Industrial chemicals	7109	8166	1603	1913	1619	1973	1903	2319	2009	1935
Refined petroleum products	2641	3206	470	517	623	1031	840	899	681	785
Metals	12248	14152	2656	2843	3245	3504	3379	3777	3076	3920
Textiles, wearing apparel and footwear	13264	12608	3716	2855	3556	3137	3105	2656	3309	3537
Wood and wood products, furniture and fixtures	5661	4537	1531	1512	1209	1409	1076	1176	1001	1284
Chemical and mineral products.	24507	24827	6030	6162	5772	6543	5690	6291	5852	6995
Other manufacturing goods	46205	41622	12136	12694	10050	11325	9988	10822	9420	11392
Transport equipment etc. (non-competing)	6610	7085	2475	1608	1342	1186	1047	2526	1877	1635
Electricity	89	34	20	39	15	15	7	5	7	15
Services	63094	69181	13996	15326	18256	15515	15558	17358	19258	17007
Gross expenditures for shipping.....	21407	27041	4949	4980	5582	5895	6159	7128	6854	6900
Gross expenditures for oil drilling ...	268	672	71	66	66	65	92	151	225	204
Direct imports related to other oil activities	2713	3826	530	615	921	647	859	976	977	1015
Direct purchases in Norway by resident households.....	23060	20456	4731	5654	7661	5014	4184	4859	6807	4607
Other services	15646	17186	3715	4010	4026	3894	4265	4244	4395	4282

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

17*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A17. BALANCE OF PAYMENTS. 1)

Million kroner

	1988*	1989*	1988				1989			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th a) quarter
Current account										
Surplus on current account	-23846	1829	-3738	-7905	-5251	-6952	851	1856	2891	-3769
Export surplus of goods and services	-4337	26559	779	-2488	-210	-2418	7939	8491	8540	1590
Net interests and transfers from abroad	-19509	-24730	-4518	-5417	-5041	-4534	-7088	-6635	-5649	-5358
Interests from abroad.	19361	21719	5628	4486	4292	4954	4973	5586	5505	5655
Dividends etc. from abroad	2339	2001	484	529	541	786	486	418	457	640
Transfers from abroad.	1776	1844	354	514	476	432	389	467	535	453
Interests to abroad ..	29496	35451	7764	6765	7557	7411	8835	8447	9645	8524
Dividends etc. to abroad	5301	6312	1429	2570	673	631	2423	2623	634	632
Transfers to abroad ..	8187	8531	1793	1611	2120	2664	1678	2036	1867	2950
Net changes in assets and liabilities not created by transactions	-2912	-2200	1349	-128	-10035	5901	-4824	-6105	1453	7276
Decrease in the net debt of Norway	-26758	-371	-2389	-8033	-15285	-1050	-3973	-4249	4344	3507
Capital account										
Net inflow on long term capital transactions	34320	..	10423	13066	5876	4955	9984	6122	9665	..
Net inflow on known short-term capital transactions	861	..	690	-1356	-1657	3181	-4910	-2349	-6851	..
Net inflow on other short-term capital transactions (incl. statistical discrepancy)	-11335	..	-7377	-3807	1033	-1185	-5923	-5633	-5706	..
Total net inflow on capital transactions	23846	-1829	3738	7905	5251	6952	-851	-1856	-2891	3769
Net changes in assets and liabilities due to changes in exchange rates etc.	2912	2200	-1349	128	10035	-5901	4824	6105	-1453	-7276
Increase in the net debt of Norway	26758	371	2389	8033	15285	1050	3973	4249	-4344	-3507
MEMO:										
Net current account excluding exports of second-hand ships and imports of new and second-hand ships	-12502	23651	-2551	-5278	-3541	-1134	4799	5427	7020	6404

1) Inconsistencies in the tables are due to computerized rounding.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.

18*
NATIONAL ACCOUNTS FOR NORWAY

TABLE A18. DISPOSABLE INCOME AND SAVING FOR NORWAY. 1)

Million kroner

	1988*	1989*	1988				1989			
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter a)
Gross domestic product .	584242	640343	145556	145858	149089	153739	150141	158224	162339	169639
- Interests, dividends etc. to abroad, net .	13100	18043	3081	4320	3397	2302	5799	5066	4317	2861
Gross national income ..	581143	622301	142475	141538	145692	151437	144342	153158	158022	166778
- Consumption of fixed capital	92301	100391	22188	22784	23378	23951	25638	24439	24863	25450
National income	488841	521910	120287	118754	122314	127487	118704	128719	133159	141328
- Transfers to abroad, net	6412	6687	1439	1097	1644	2232	1289	1569	1332	2497
Disposable income for Norway	482429	515223	118848	117657	120670	125255	117415	127150	131827	138831
- Consumption, total ..	431368	447084	103047	105831	107269	115221	102579	110690	111925	121890
Saving	51062	68139	15801	11826	13401	10034	14836	16460	19902	16941
Disposable real income for Norway 2)	455440	466254	115208	111215	113336	115681	109854	114950	118665	122786

1) Inconsistencies in the tables are due to computerized rounding.

2) Deflated by price index (1987=100) of final domestic use of goods and services, excl. consumption of fixed capital.

a) For the 4th quarter of 1989 the calculations are based upon forecasts or available estimations done by the Central Bureau of Statistics.



Økonomiske analyser

Utkommer med omlag 9 nummer pr. år.
Prisen for et årsabonnement er kr. 200,-,
løssalgspriis kr. 30,-. Forespørslor om
abonnement kan rettes til opplysnings-
kontoret i Statistisk sentralbyrå.
Publikasjonen utgis i kommisjon hos
H. Aschehoug & Co. og Universitets-
forlaget, Oslo, og er til salgs
hos alle bokhandlere.

Statistisk sentralbyrå

Postboks 8131 Dep. N-0033 Oslo 1
Tlf. (02) 41 38 20