

# Norway: Industry & Commerce

## Economy:

*Statistisk sentralbyrå* collates economic and other statistics. <<http://www.ssb.no/english/>>

Reserves of foreign exchange and gold: \$60.84 billion (2006)

National budget: revenue \$283.7 billion, expenditure \$197 billion (2008)

GDP: \$481 billion, services 56%, industry 43%, agriculture <1% (2008); there is no net external debt.

GDP per head: \$57 500 (2008)

Annual Growth: 1.8% (2008)

Inflation: 3.6% (2008)

Labour force: 2.59 million, services 76% (public administration 30%), industry 21.1%, agriculture 2.9% (2008)

Unemployment: 2.6% (2008)

No. of enterprises: 477 000; 90.6% with 0–9 employees, 8% with 10–49 employees, 1.3% with 50–249 employees, 0.1% with 250+ employees

Major Industries: Oil and gas, food processing, shipbuilding, pulp and paper products, metal production, chemicals, timber, mining, textiles, fishing, manufactured goods, machinery and marine transport

Exports: \$177.6 billion; Imports: \$93.2 billion (2008)

Balance of trade payments surplus: \$84.35 billion (2008); there has been a surplus since 1979.

Major trading partners: Exports to Sweden 12%, Germany 9.5%, Netherlands 9%, USA 8.5%, UK 8%, Germany 6% (2008). 80% of total exports of goods and services go to the European Economic Area. Most imports are from EEA countries (70% in all), 15% from Sweden, 13.5% Germany, 7% Denmark, 6% China, 6% UK with cars, busses, planes and ships dominating.

The discovery of oil on the 200 nautical mile Norwegian continental shelf in 1969 transformed Norway from one of Europe's poorest countries to one of the richest. Norwegian economy is now dominated by the oil and gas sector and accounts for 25% of value. Oil production is 2 565 million barrels/day, consumption is 224 500 barrels/day (2007); proven reserves: are 6.865 billion barrels (2008). Natural gas production is 99.3 billion m<sup>3</sup> and consumption 6.5 billion m<sup>3</sup> (2007); proven reserves are 2.241 trillion m<sup>3</sup> (2008). Exports of crude oil and petroleum products were worth £29 billion in 2005, making Norway the seventh largest oil exporter (but 11th largest producer) and third largest gas exporter (but 5th largest producer). Crude oil and natural gas account for 59% of all exports. The 1200km Langeled gas pipeline between Nyhamna in Norway and Easington in Yorkshire opened in October 2006, then the world's longest underwater pipeline, and can supply up to 20% of the UK's peak winter demand for natural gas. Since 1995, oil revenues have been invested in the Pension Fund to counter future inflation; this stood at around £150 billion in January 2007. Oil production has fallen by 20% since 2001 and according to current estimates, Norway has oil for the next 50 years and gas for at least 100 years. There is some oil exploration in the Barents Sea and the Arctic Ocean is a potential future area.

The engineering industry specialising in ship building and equipment, offshore delivery, hydropower equipment, telecommunications and other products is increasingly important.

Other major exports are metals 8%, seafood (world's biggest exporter) 5%, pulp and paper products 1%, industrial chemicals, timber, textiles, supported by abundant cheap hydro-electric power. The mineral wealth (kr 9 billion annually) includes aluminium, copper, iron, lead and zinc ores, Europe's largest titanium deposits, pyrites, nickel, limestone and coal (2.9 million tonnes per year) in Svalbard.

Norway's most important services export is shipping freight, the second largest export after

oil and gas; gross freight exports are £6.6 billion. Norwegian shipping companies control around 5% of the world's shipping fleet. The merchant fleet is the world's fifth largest with 688 ships over 1000 tonnes registered in Norway and 923 registered abroad. 199 foreign-owned ships are registered in Norway.

Ports and terminals: Bergen, Borg Havn, Haugesund, Maaloy, Mongstad, Narvik, Oslo, Sture  
The UK is Norway's largest export market. Imports to the UK from Norway were worth £12.4 billion in 2005 (the UK's 9th largest import market). Britain has also been a main target for Norwegian investments abroad. At the end of 2003, accumulated Norwegian direct investment in the UK amounted to £5.65 billion. Norway is the UK's 18th largest export market with £2.2 billion in sales of goods in 2005. The UK is Norway's fourth largest supplier of goods and a major provider of services (worth an additional £1 billion). Accumulated UK direct investment in Norway was worth £2.55 billion, putting the UK in fifth place.

British companies are amongst the largest foreign investors in the Oslo stock exchange, especially in shipping, banking and insurance.

Electricity: Nearly all mainland Norway's electricity is generated in over 500 hydro-electric power stations connected to the national grid with some thermal, wind and tidal (world's first in 2003) power generation. Norway has the world's highest per capita production of hydropower. New gas-fired power stations are under construction and will increase CO<sub>2</sub> emissions; 58% of Svalbard's power is from coal-fired stations. Several wind farms have been constructed but they produce only 700 million kWh; Denmark produces 6.1 billion kWh by wind (14% of its total electricity). Annual production is 143 billion kWh and consumption 129 billion kWh (2008); the surplus is exported. Much of the output is used by aluminium, steel, pulp, paper and other industries. Some plants are built entirely inside mountains and many are open to the public in summer, the main ones being Sima at Eidfjord in Rogaland, Alta in Finnmark and Mår at Rjukan. Statkraft, owned by the state, is the largest producer, generating about 30% of the total in its 48 stations; Statkraft is also the largest renewable energy producer throughout Europe with hydro- and windpower operations in the UK and also developments in Asia and South America. Because hydropower production is cheap compared to power stations burning fossil fuels, Norway has the world's second highest average consumption per person at 24 295 kWh per year (2006) and most Norwegians have comfortable well-equipped homes that are kept warm in winter. However, total consumption of all energy sources is average for western countries. Many of the upland lakes and rivers are dammed and linked by tunnels which feed water via pipes to drive turbines in valley power stations. In some cases the water outfall passes through other power stations on its journey down the valleys. At low consumption times in the summer, excess power is used to pump some of the water back up to the reservoirs. Because of the effect on water courses, power companies are legally required to provide hatcheries for salmon and trout.

Business culture is less formal than most of Europe. Its structure is less hierarchical with employees on first name terms with managers. Employees are self-motivating and assume responsibility for their own work.