


**JUNE 2010 ECONOMIC OUTLOOK FOR NORWAY: ANSWERS FROM NHO**

| <b>MAIN FORECAST</b>  |                                |                                |                                |                                |                              |                             |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------|-----------------------------|
| <i>Annual % change</i>  |                                | <b>2010</b>                    | <b>2011</b>                    |                                |                              |                             |
| Real GDP growth   |                                | 1,0                            | 1,8                            |                                |                              |                             |
| Consumer price inflation  |                                | 1,7                            | 1,2                            |                                |                              |                             |
| Unemployment rate   |                                | 3,8                            | 4,0                            |                                |                              |                             |
| Employment growth   |                                | 0,0                            | 0,5                            |                                |                              |                             |
| government net lending (% of GDP)                                     |                                | 10,2                           | n/a                            |                                |                              |                             |
| gross public debt (% of GDP)  |                                | n/a                            | n/a                            |                                |                              |                             |
| current account balance (% of GDP)                                    |                                | 15,5                           | 15,9                           |                                |                              |                             |
| <b>Components of aggregate demand - in real terms</b>                 |                                |                                |                                |                                |                              |                             |
| <i>Annual % change</i>  |                                | <b>2010</b>                    | <b>2011</b>                    |                                |                              |                             |
| Private consumption   |                                | 3,5                            | 3,0                            |                                |                              |                             |
| Public consumption  |                                | 3,0                            | 2,0                            |                                |                              |                             |
| Private non-residential investment                                    |                                | -10,0                          | -1,0                           |                                |                              |                             |
| Exports   |                                | 1,3                            | -1,5                           |                                |                              |                             |
| Imports   |                                | 4,0                            | 2,0                            |                                |                              |                             |
| <b>ECONOMIC SENTIMENT</b>   |                                |                                |                                |                                |                              |                             |
|   | <i>Positive</i>                | <i>Negative</i>                | <i>Unchanged</i>               |                                |                              |                             |
| <b>Trend in business climate over the next 6 months</b>               |                                |                                | Industry                       |                                |                              |                             |
|   |                                |                                | Services                       |                                |                              |                             |
|   | <i>Positive</i>                | <i>Negative</i>                | <i>Unchanged</i>               |                                |                              |                             |
| <b>Trend in profitability over the next 6 months</b>                  |                                |                                | Industry                       |                                |                              |                             |
|   |                                |                                | Services                       |                                |                              |                             |
|   | <i>Global demand</i>           | <i>Domestic demand</i>         | <i>Cost of finance</i>         | <i>Availability of finance</i> | <i>Company Profitability</i> | <i>Capacity Utilisation</i> |
| <b>Influence on companies' investment decisions</b>                   | negative                       | neutral                        | negative                       | neutral                        | negative                     | negative                    |
|   | <i>Replacement</i>             | <i>Extension</i>               | <i>Rationalisation</i>         | <i>Innovation</i>              |                              |                             |
| <b>Driving force behind investment decisions in the next 6 months</b> | neutral                        | negative                       | positive                       | negative                       |                              |                             |
|   | <i>Industry: past 6 months</i> | <i>Industry: next 6 months</i> | <i>Services: past 6 months</i> | <i>Services: next 6 months</i> |                              |                             |
| <b>Overall trend in employment</b>                                    | Down                           | Down                           | Down                           | Down                           |                              |                             |



| POLICY MIX   |   |                                |   |                                  |   |
|--|---|--------------------------------|---|----------------------------------|---|
|  | <i>Tight, appropriate for the euro area</i> | <i>Tight</i>                   | <i>Appropriate</i>  | <i>Loose</i>                     | <i>Loose, appropriate for the euro area</i>                         |
| <i>Monetary policy is...</i>   | yes   |                                |   |                                  |   |
|  | <i>adequate</i>                             | <i>inadequate</i>              |   |                                  |   |
| <i>Consistency between fiscal and monetary policies</i>                      |   | yes                            |   |                                  |   |
|  | <i>excellent commitment</i>                 | <i>satisfactory commitment</i> | <i>neither satisfactory nor unsatisfactory commitment</i> | <i>unsatisfactory commitment</i> | <i>no clear commitment creating an extremely worrying situation</i> |
| <i>Regarding the sustainability of public finances, government shows ...</i> |   | yes                            |   |                                  |   |
|  | <i>excessive focus</i>                      | <i>sufficient focus</i>        | <i>neither satisfactory nor insufficient focus</i>        | <i>insufficient focus</i>        | <i>so far ignored</i>   |
| <i>Exit Strategies</i>   |   |                                |   |                                  |   |
| <i>Tight fiscal rules and more effective institutions</i>                    |   | yes                            |   |                                  |   |
| <i>Greater efficiency of public administrations</i>                          |   |                                | yes   |                                  |   |
| <i>Credible cost-cutting measures</i>  |   |                                | yes   |                                  |   |
| <i>Increased scope of public-private partnerships</i>                        |   |                                |   | yes                              |   |
| <i>Reform of pension systems</i>   |   | yes                            |   |                                  |   |
| <i>Improved efficiency of healthcare sector</i>                              |   |                                |   | yes                              |   |
|  | <i>excessive focus</i>                      | <i>sufficient focus</i>        | <i>neither satisfactory nor insufficient focus</i>        | <i>insufficient focus</i>        | <i>so far ignored</i>   |
| <i>Entry Strategies</i>  |   |                                |   |                                  |   |
| <i>More and better-targeted education and training</i>                       |   | yes                            |   |                                  |   |
| <i>More and better targeted R&amp;D and innovation efforts</i>               |   |                                |   | yes                              |   |
| <i>Prioritisation of infrastructure investments</i>                          |   |                                |   | yes                              |   |
| <i>Growth enhancing tax reforms</i>  |   |                                |   | yes                              |   |
|  | <i>respect the 3% limit</i>                 | <i>be in balance</i>           |   |                                  |   |
| <i>In 2015, the government deficit will...</i>                               | yes   | yes                            |   |                                  |   |

**ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH**

|   | <b>sharply up / restrained</b> | <b>up / more difficult</b> | <b>same</b> | <b>down / easier</b> |
|---|--------------------------------|----------------------------|-------------|----------------------|
| <b>Compared to 6 months ago, cost/access to finance has been...</b> |                                |                            |             |                      |
| <i>for SMEs</i>   |                                |                            | Cost        | Access               |
|   |                                |                            |             |                      |
| <i>for larger companies (&gt;250 employees)</i>                     |                                |                            | Cost        | Access               |
|   |                                |                            |             |                      |
|   |                                |                            |             |                      |
| <b>Over the next 6 months, cost /access to finance will be...</b>   | <b>sharply up / restrained</b> | <b>up / more difficult</b> | <b>same</b> | <b>down / easier</b> |
| <i>for SMEs</i>   |                                |                            | Cost        |                      |
|   |                                |                            | Access      |                      |
|   |                                |                            |             |                      |
| <i>for larger companies (&gt;250 employees)</i>                     |                                |                            | Cost        |                      |
|   |                                |                            | Access      |                      |