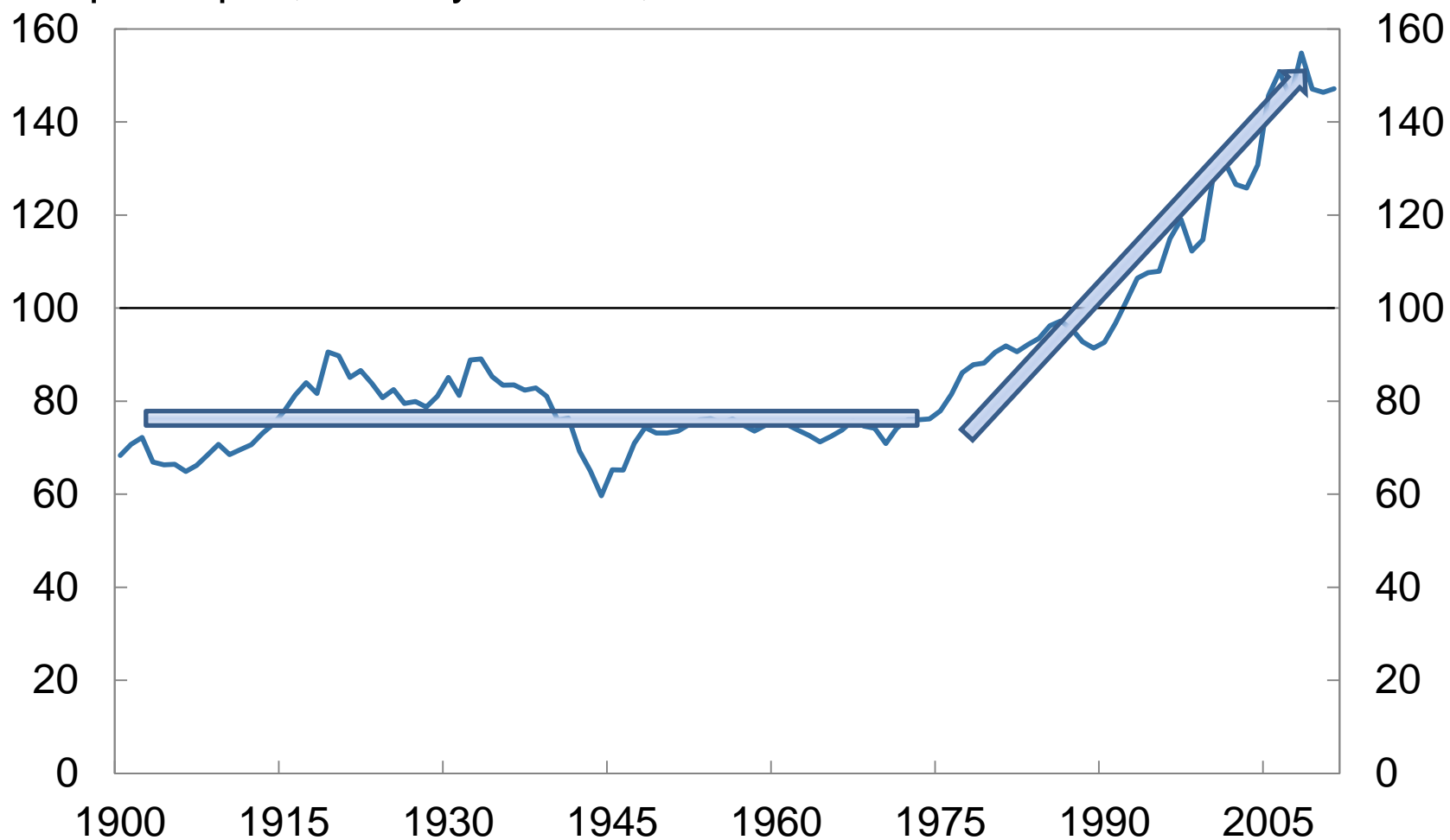


Monetary policy and wealth management in a small petroleum economy

Governor Øystein Olsen, Norges Bank
Harvard Kennedy School, Cambridge, MA
9 April 2013

Oil wealth has brought strong rise in prosperity

GDP per capita, Norway¹⁾. Index, Sweden = 100

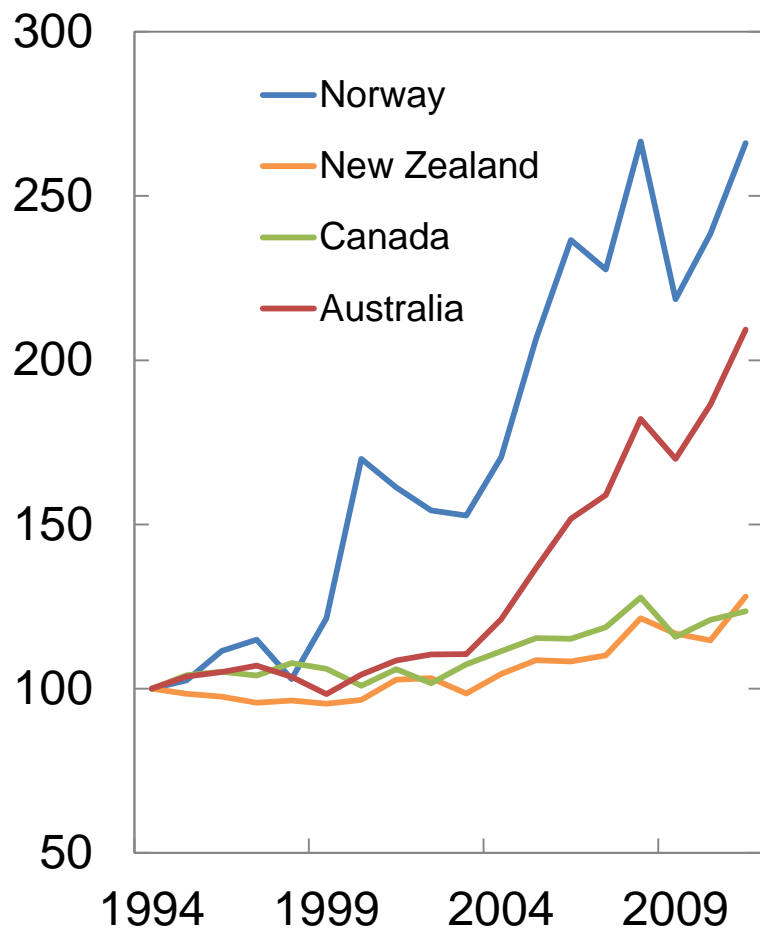


¹⁾ Adjusted for PPP

Source: OECD and Statistics Norway

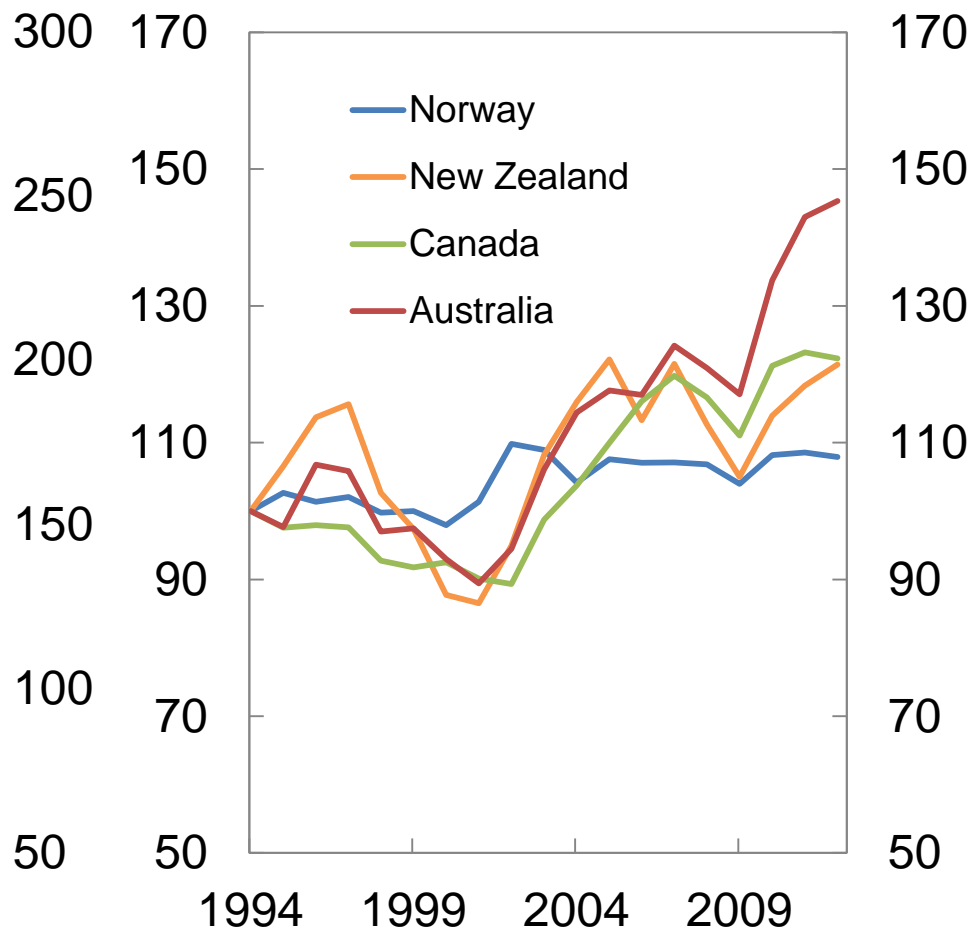
Terms of trade

Index. 1994 = 100



Real exchange rate

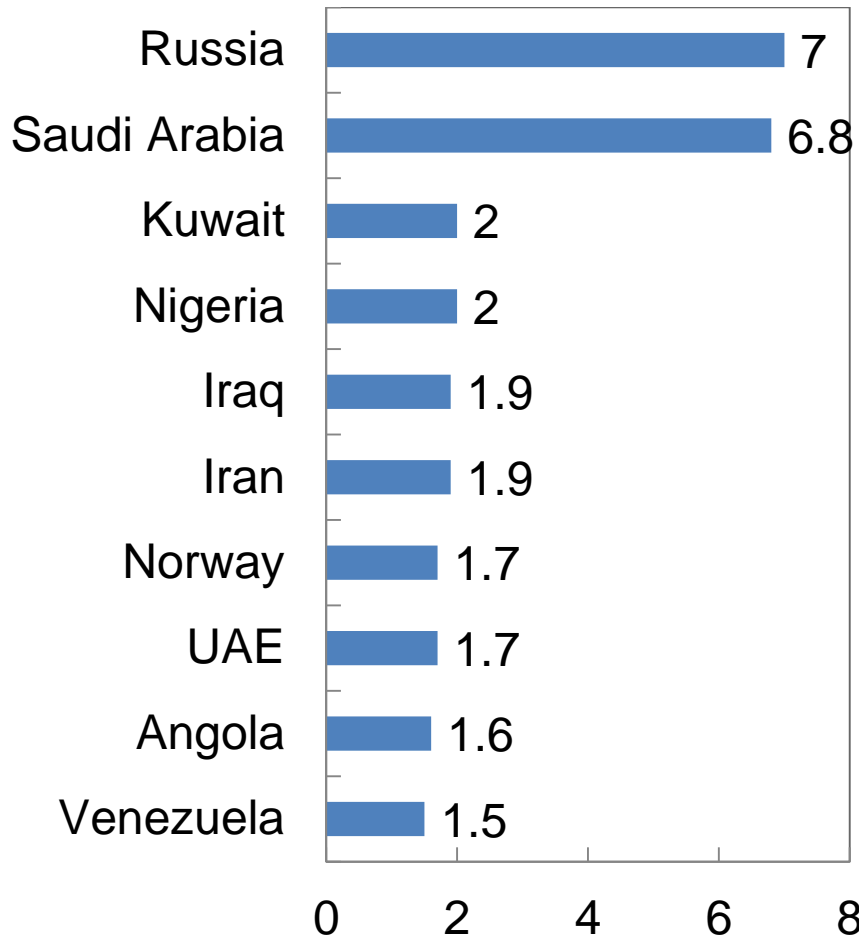
Index. 1994 = 100



Source: World Bank, BIS and Norges Bank

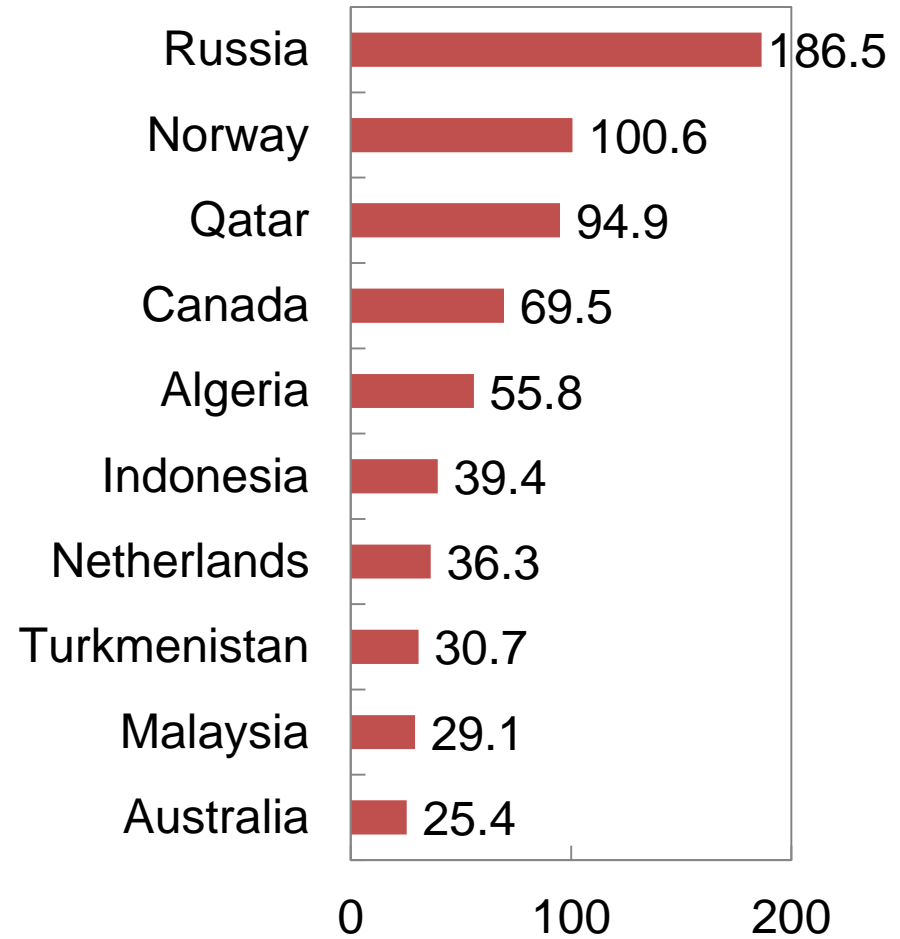
Largest oil exporters in 2011

Oil includes NGLs and condensates
In millions of barrels/day



Largest gas exporters in 2010

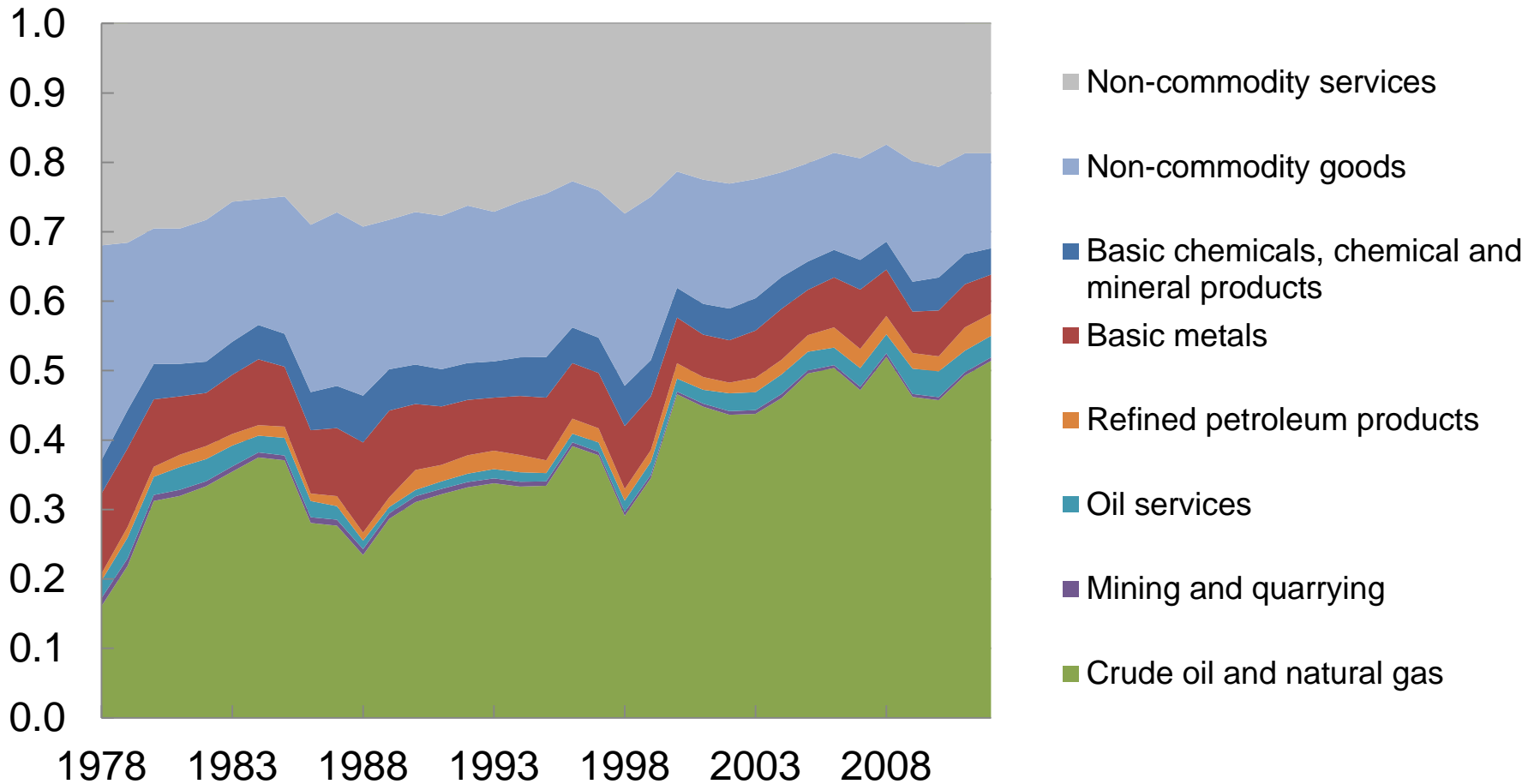
In billions of scm



Source: KBC Market Services and The Norwegian Petroleum Directorate

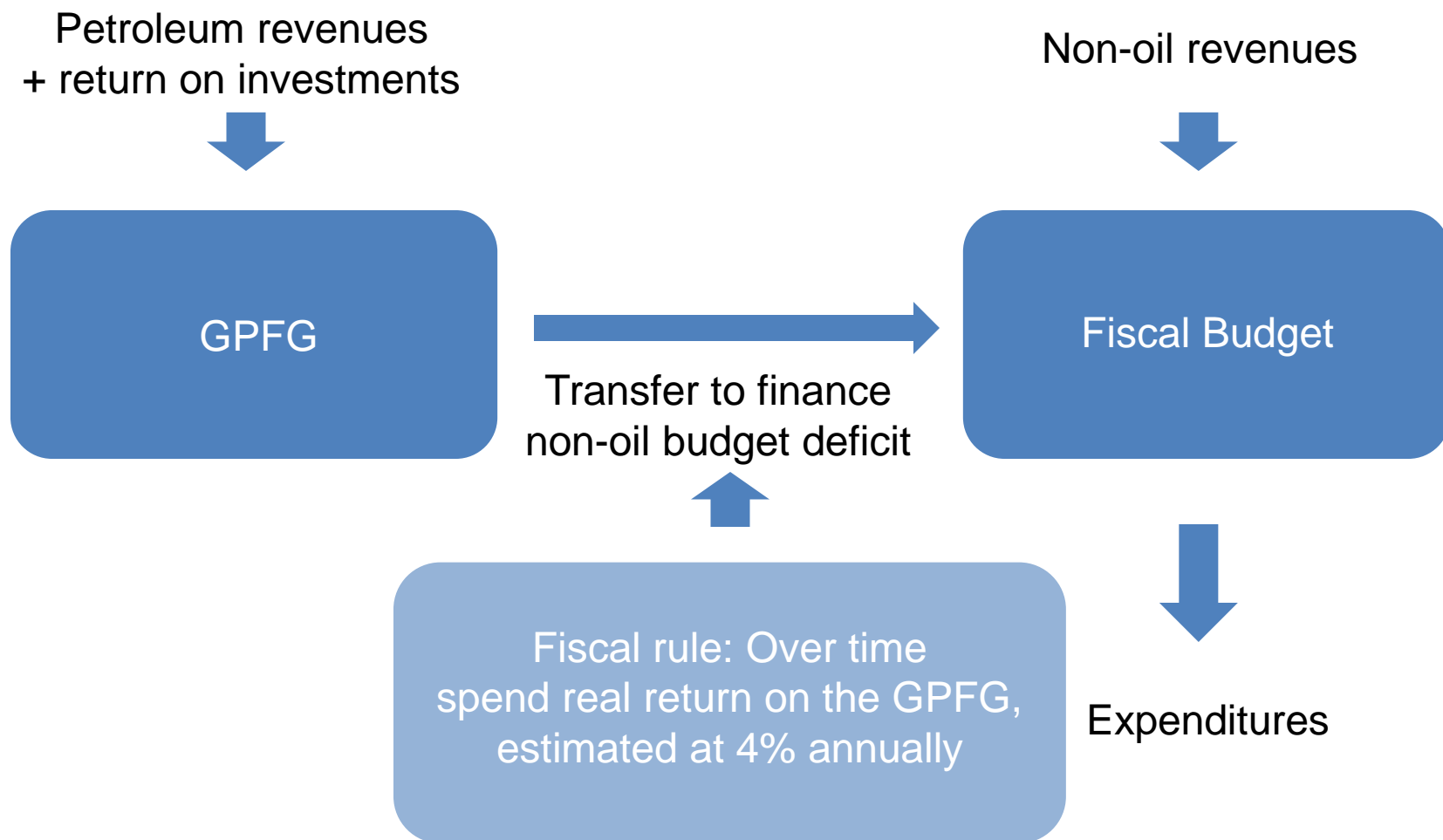
Norwegian exports

Shares of total value of exports

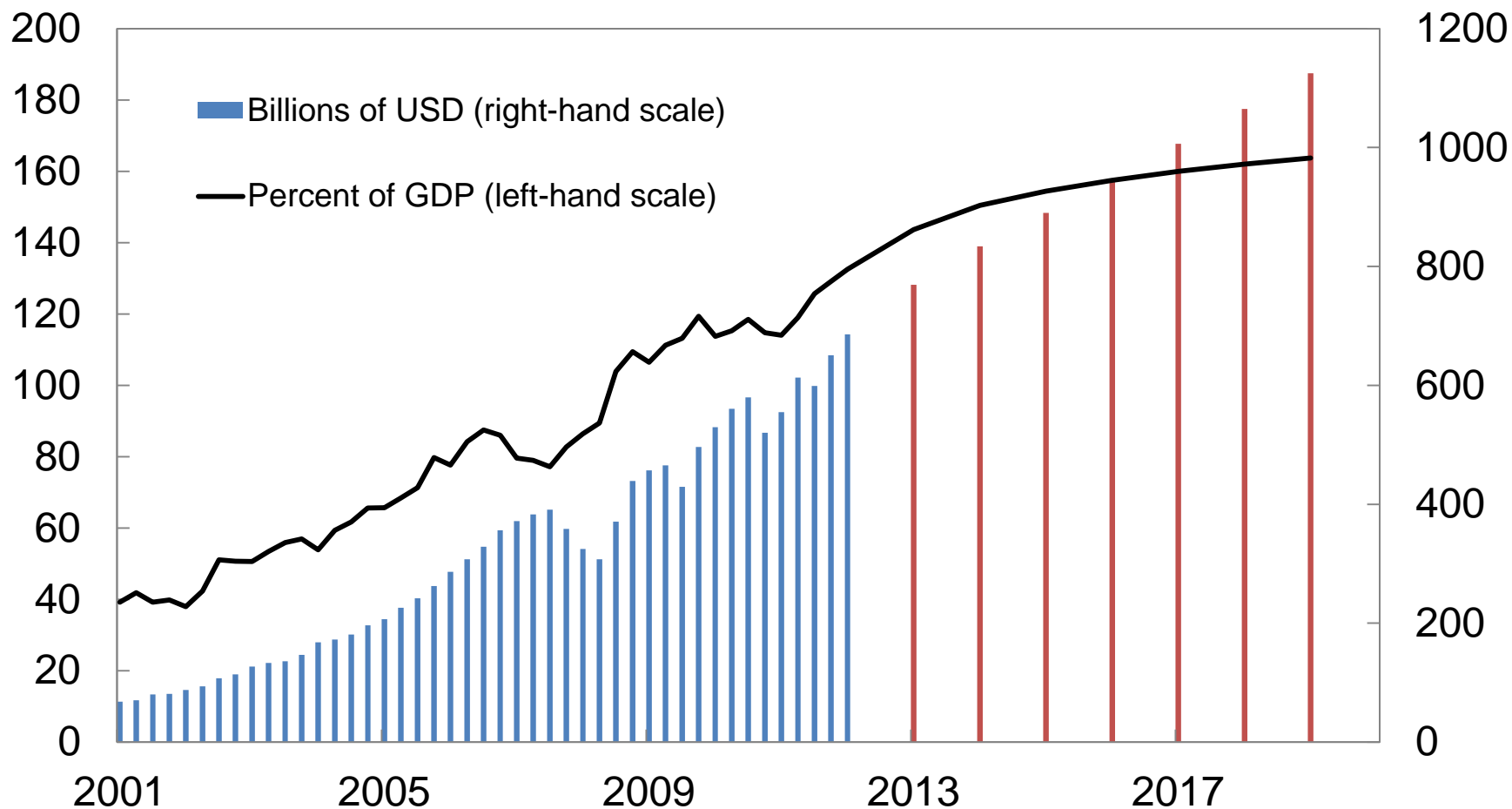


Sources: Statistics Norway and Norges Bank

The Government Pension Fund Global and the fiscal rule



Projected size of the oil fund¹⁾

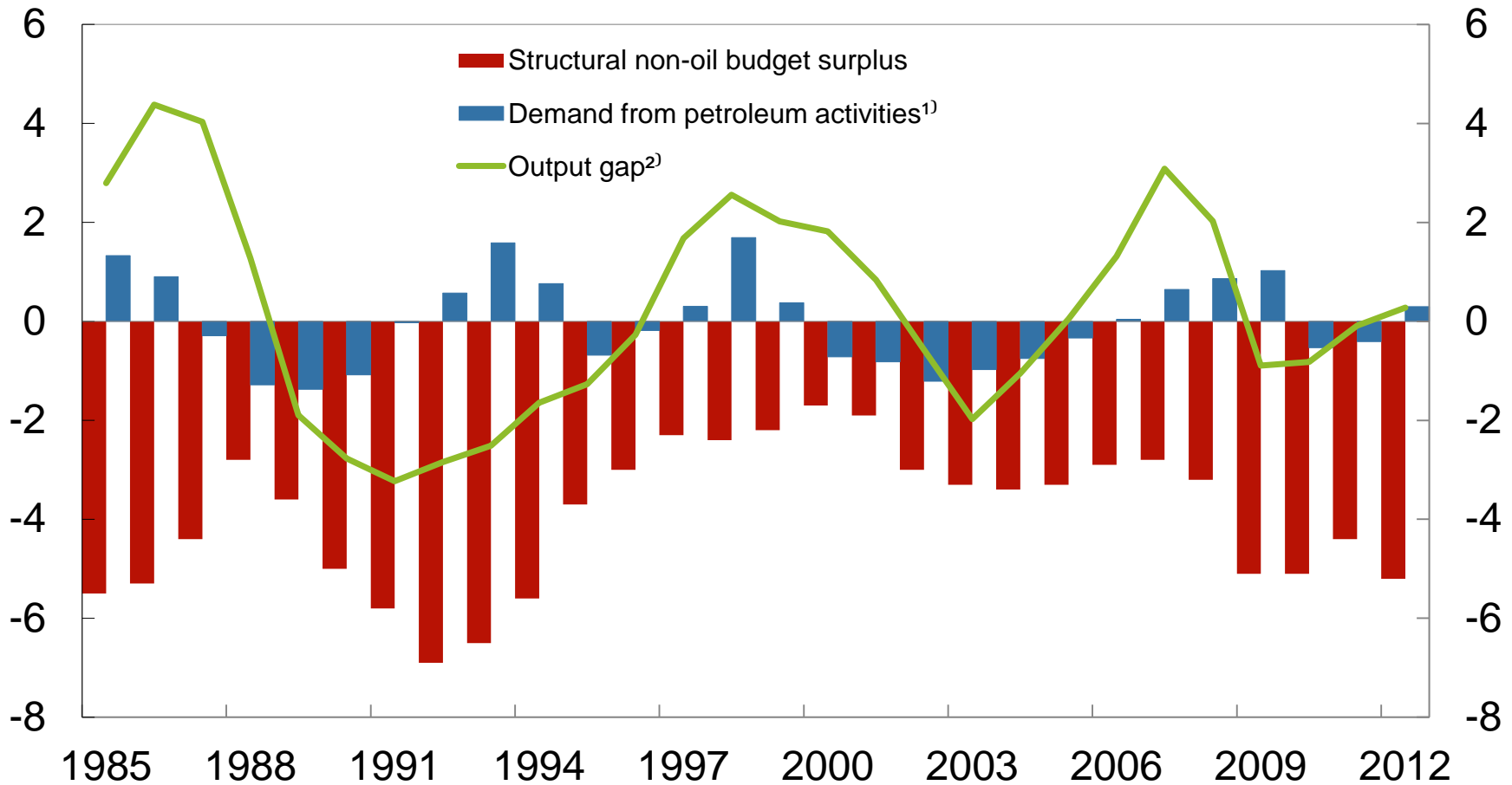


1) Quarterly figures to end-2012, annual figures thereafter

Sources: Ministry of Finance (National Budget 2013) and Norges Bank

Structural non-oil budget surplus

As a percentage of trend GDP for mainland Norway



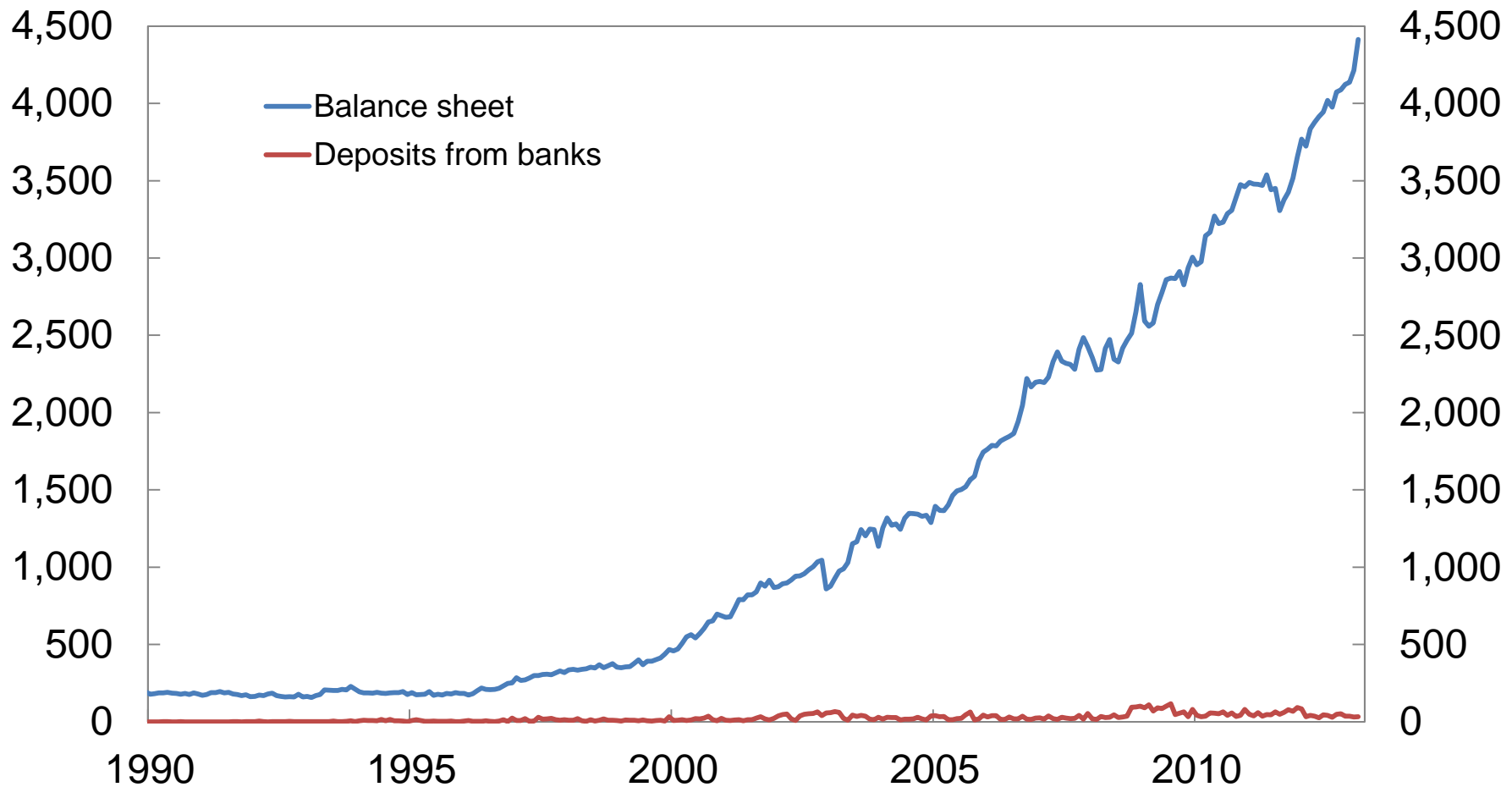
1) Deviation from trend

2) Output gap (level) measures difference between GDP and estimated potential GDP for mainland Norway

Sources: Ministry of Finance, Statistics Norway and Norges Bank

The size of Norges Bank's balance sheet including the oil fund

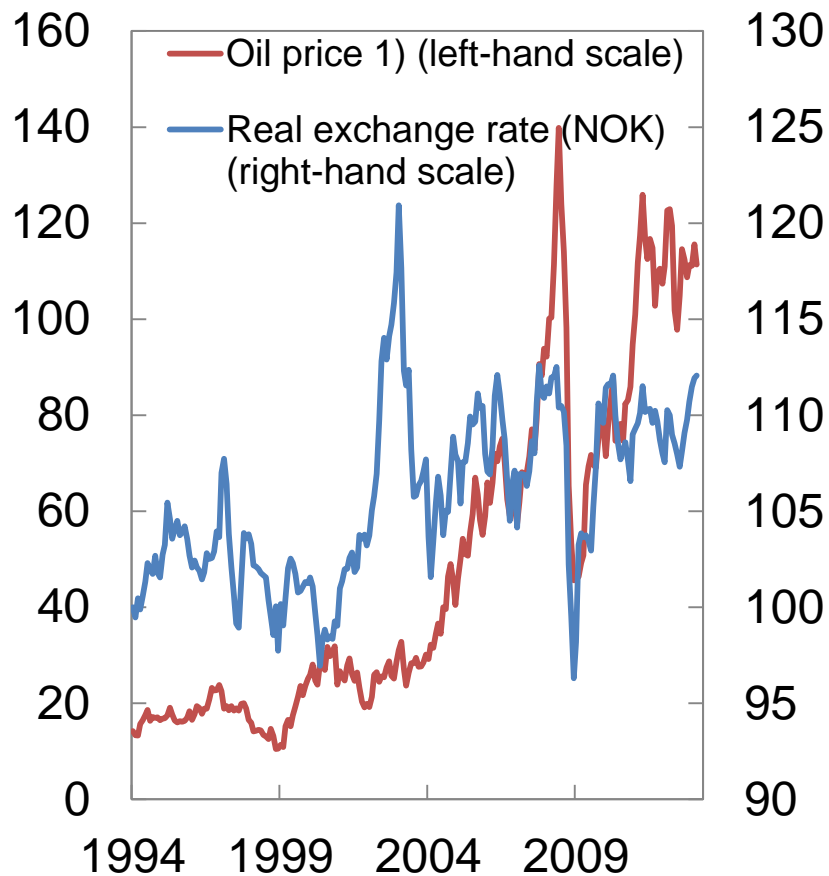
In billions of NOK



Source: Norges Bank

Real exchange rate and oil price

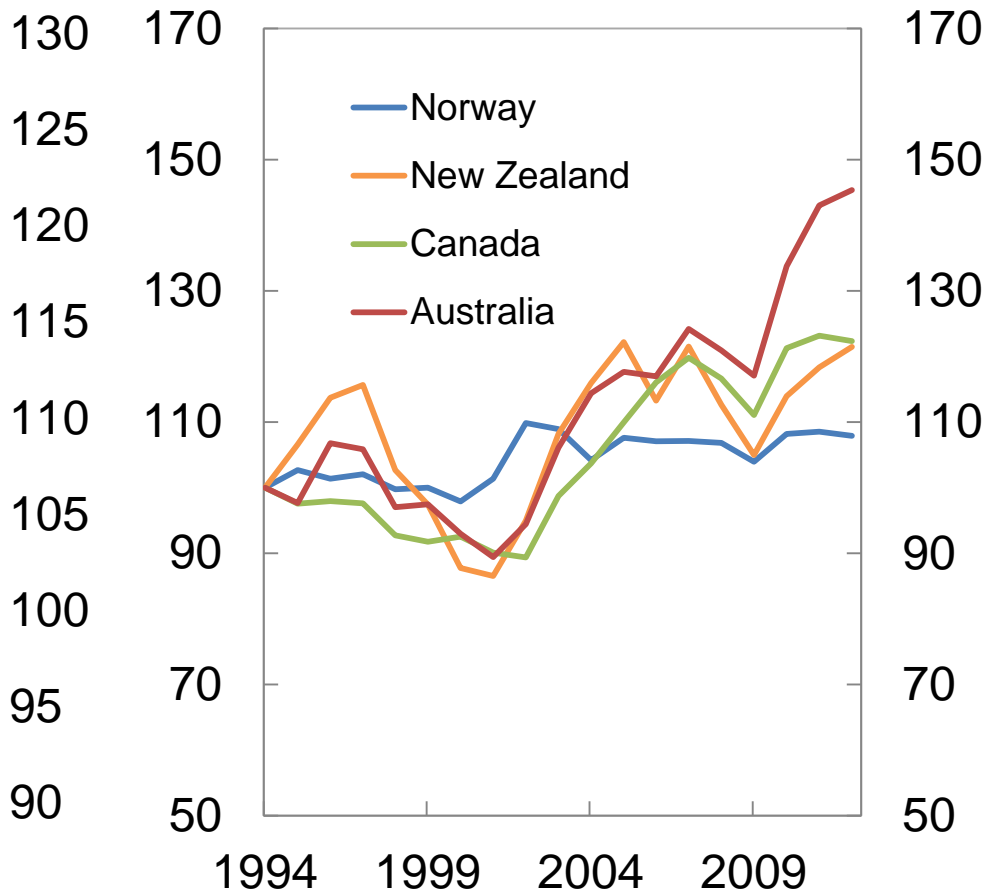
Index. 1994=100



1) Brent blend (USD/barrel), nominal

Real exchange rate

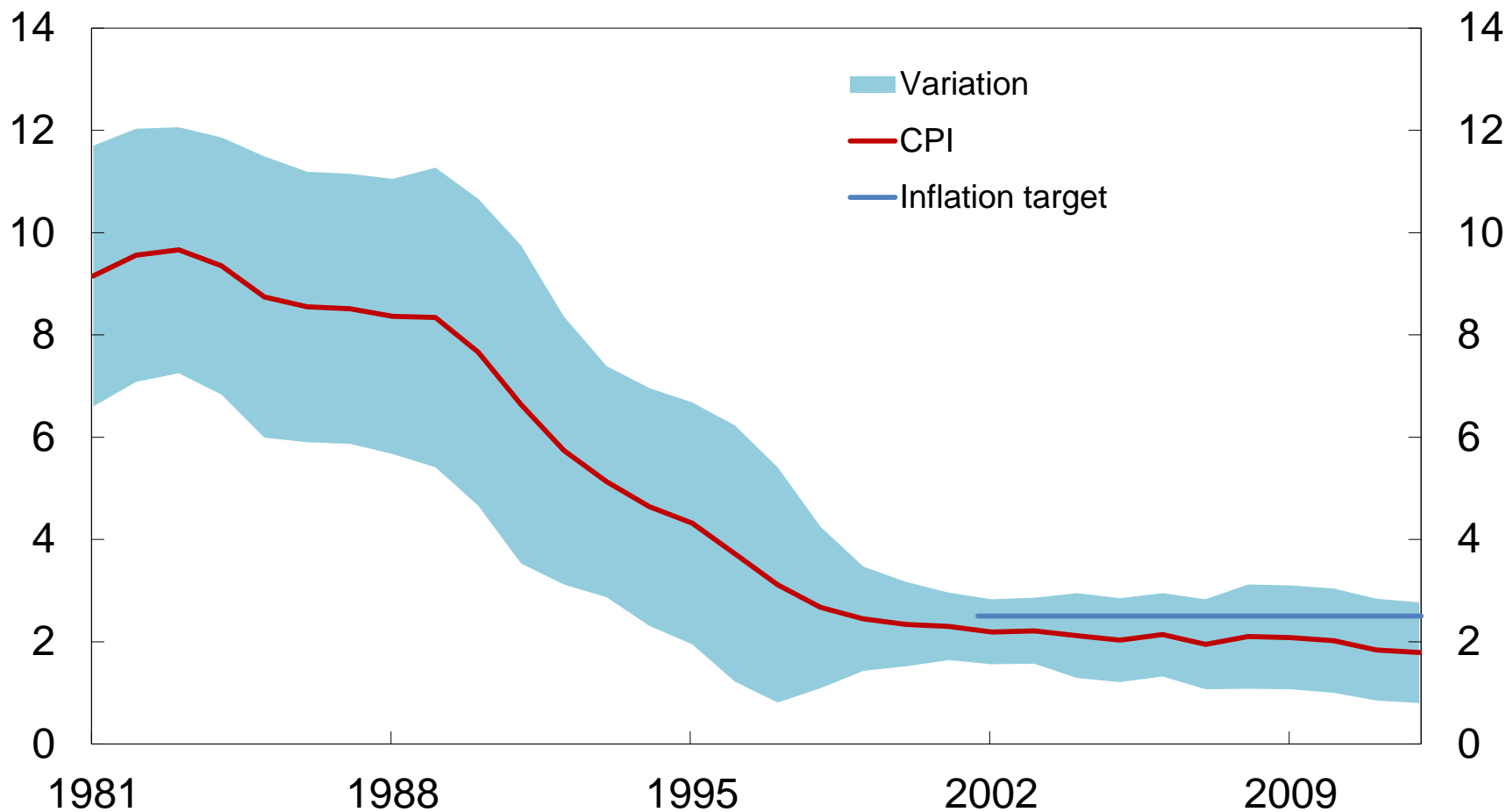
Index. 1994=100



Sources: BIS, Bloomberg and Norges Bank

Inflation

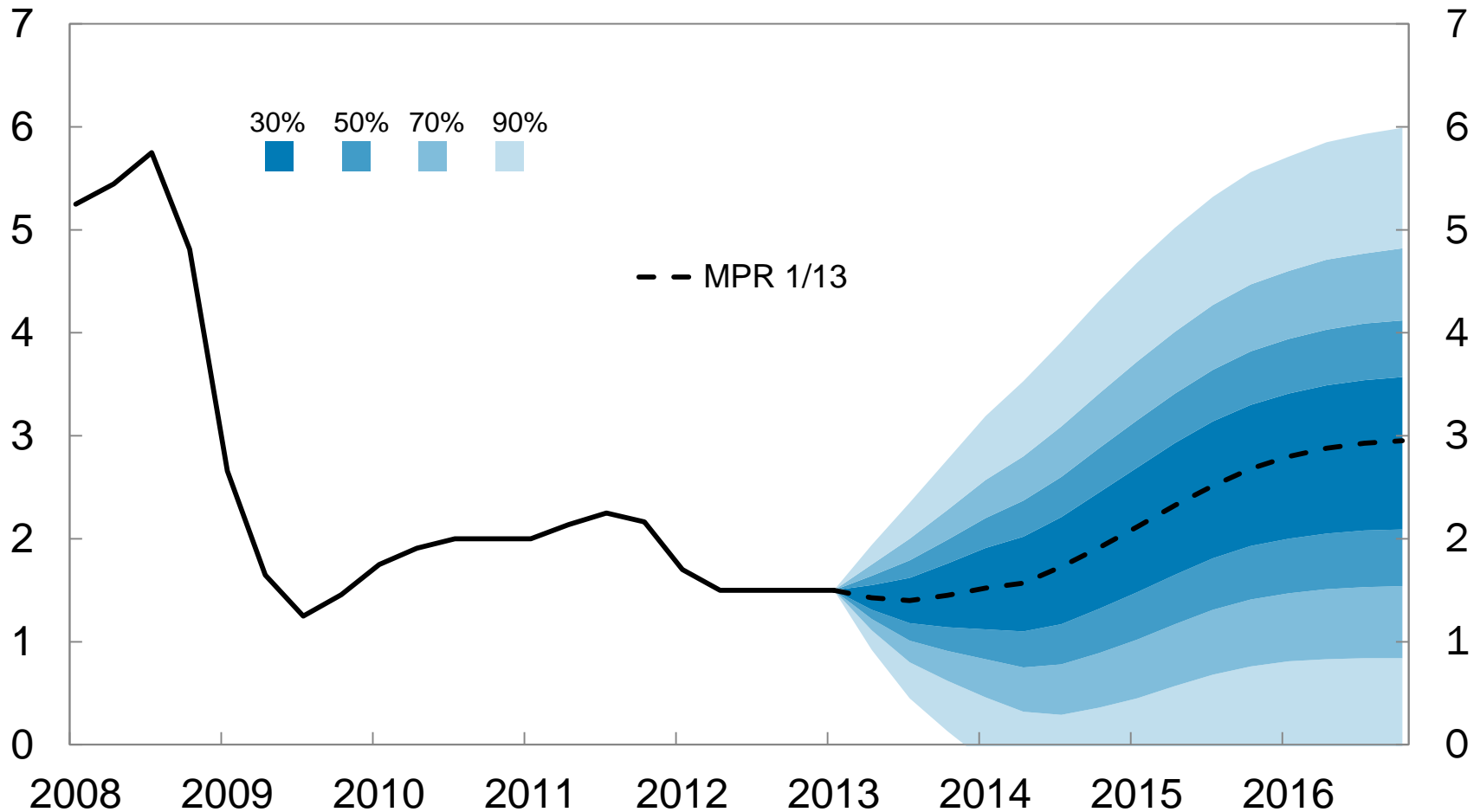
Moving 10-year average and variation in CPI. Percent



Sources: Statistics Norway and Norges Bank

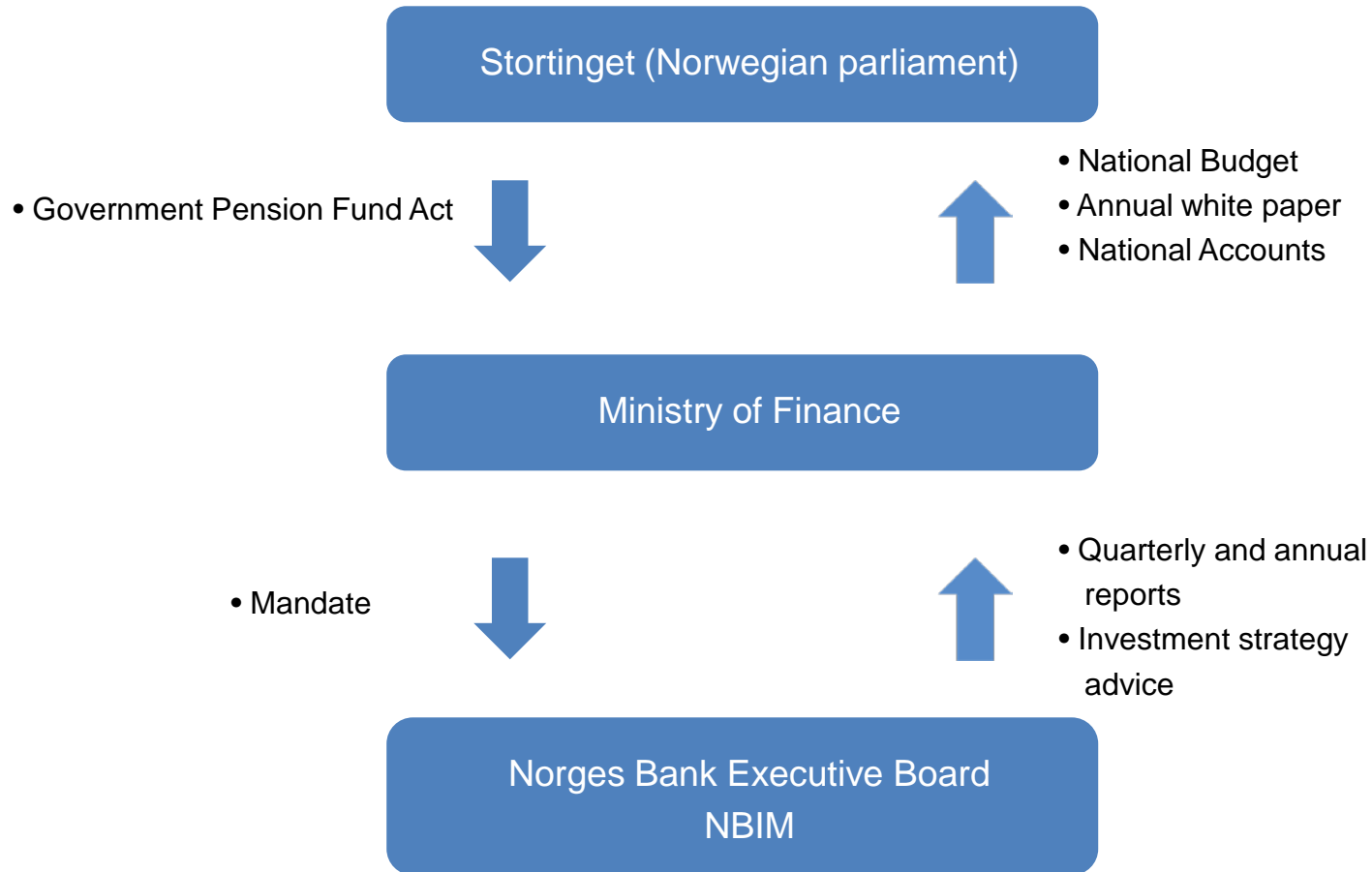
Key policy rate in the baseline scenario

Percent

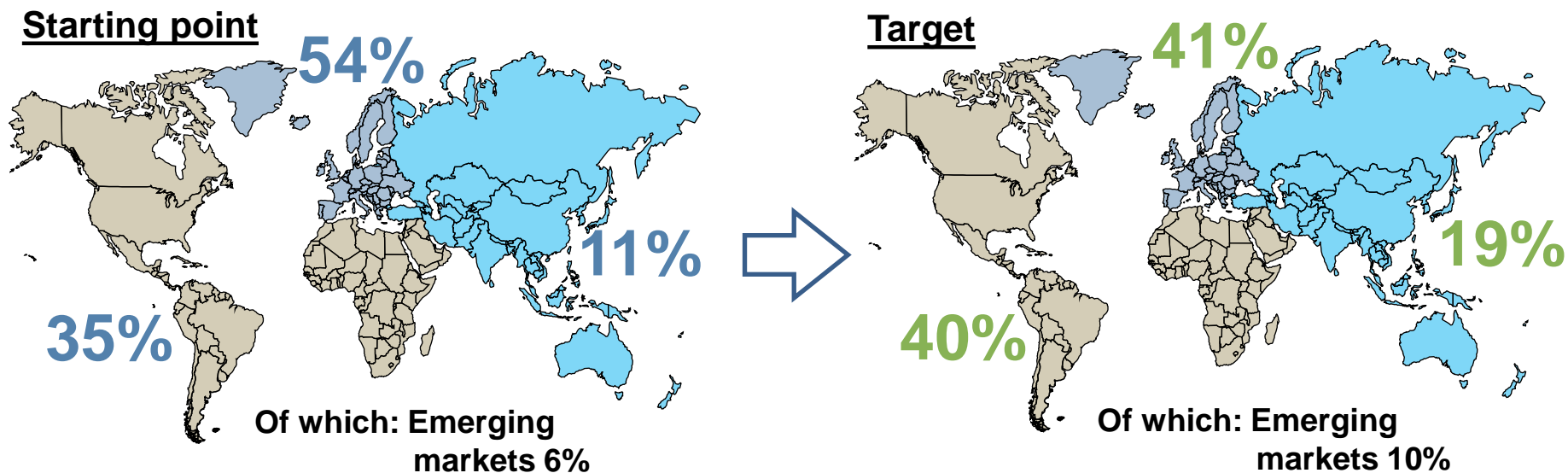


Source: Norges Bank

Governance structure



Changing the regional allocation



Sources: NBIM and Ministry of Finance

Further information

- Quarterly reports including financial reporting
- Complete holding lists and voting records
- Real-time market value
- All public information published on www.nbim.no



NBIM
Norges Bank Investment Management

Government Pension Fund Global

Fund market value in NOK*

4 146 857 266 147

Our mission is to safeguard and build financial wealth for future generations

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The Fund's Second-Best Performance

Fund Makes First Property Investment in the US

Annual results 2012

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