



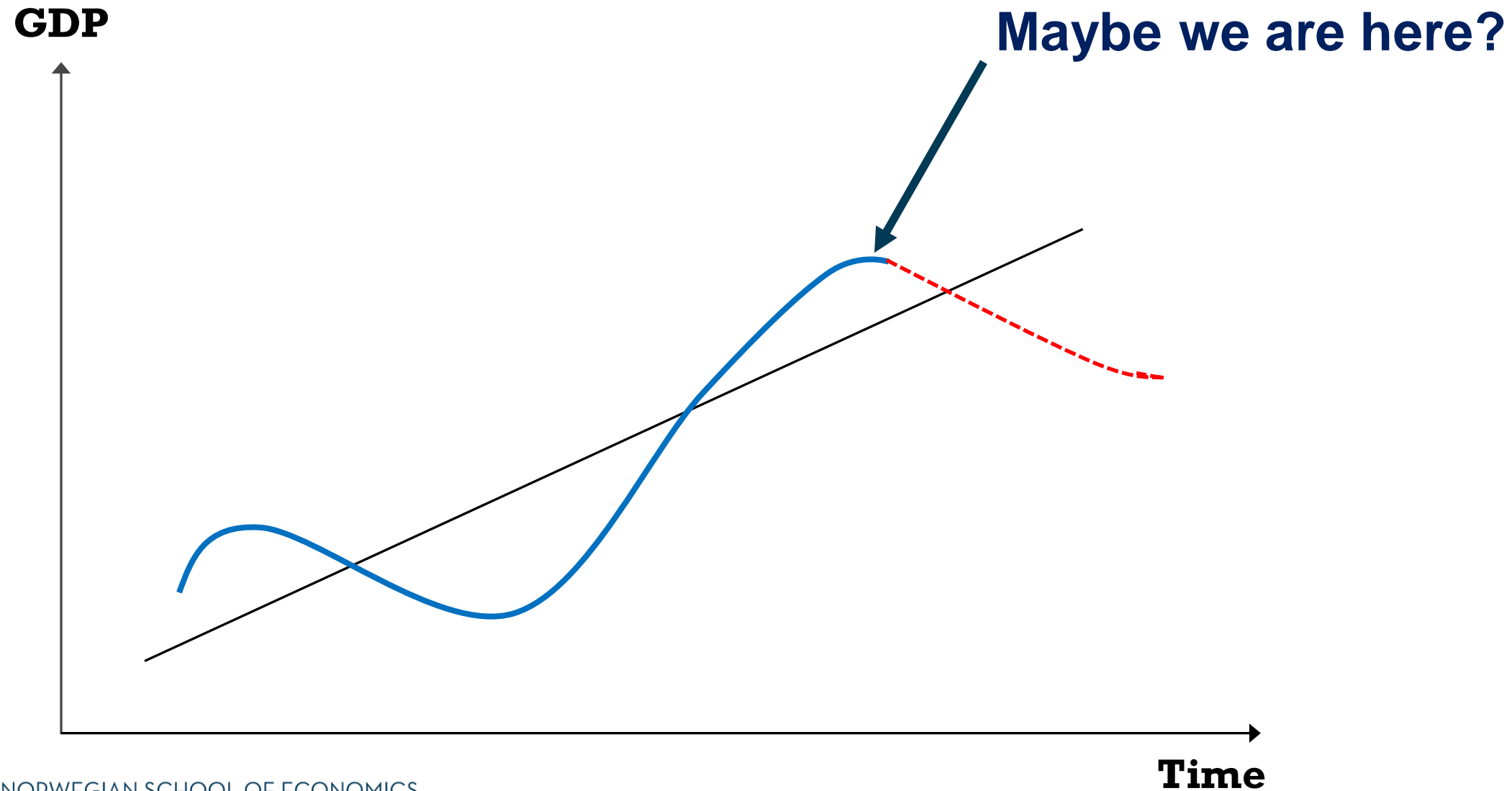
# Makro-Norge når pandemien ebber ut

*Food-2021, Oslo, 16.09.2021*

*Øystein Thøgersen*

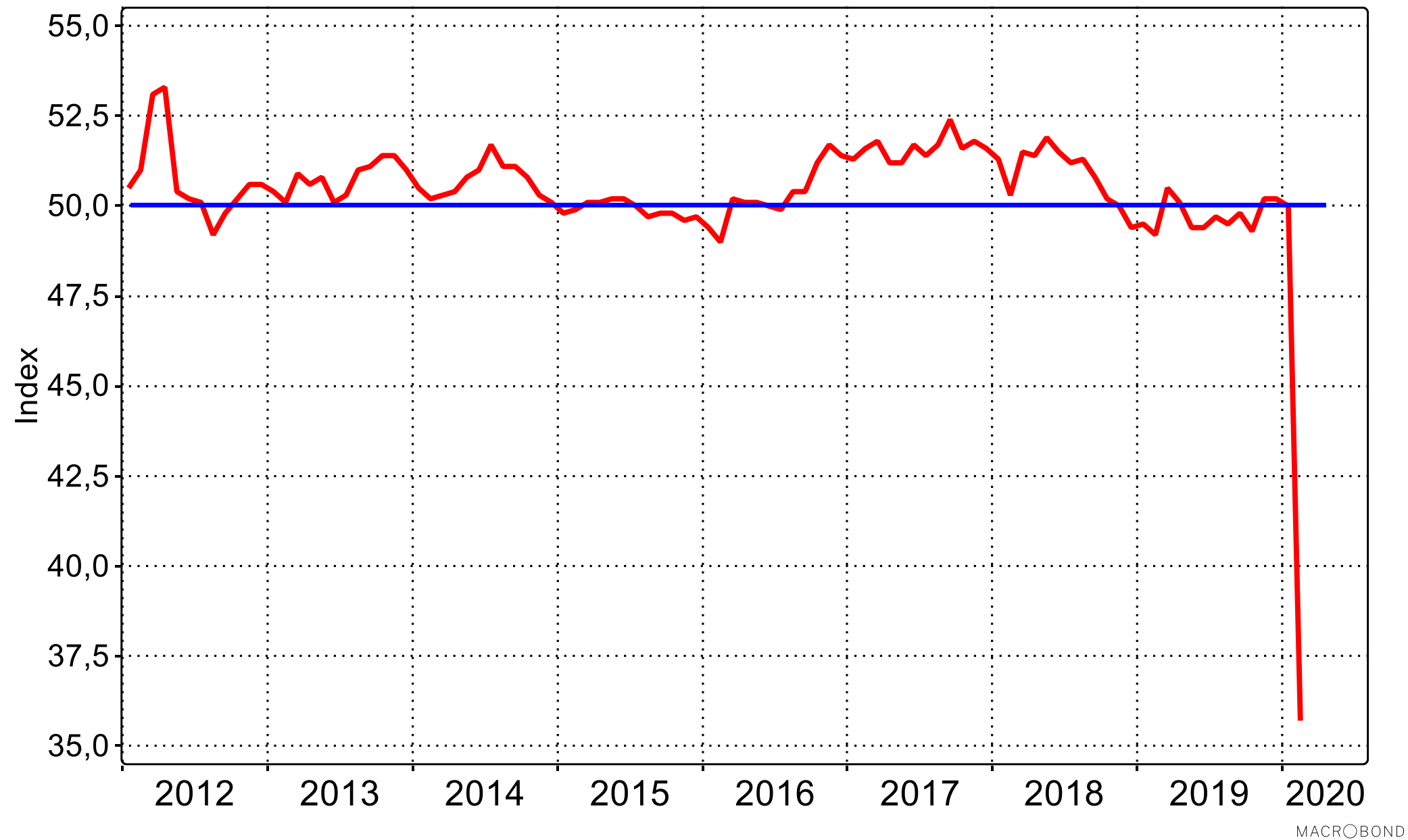


# The standard question in 2018, 2019 and 2020Q1



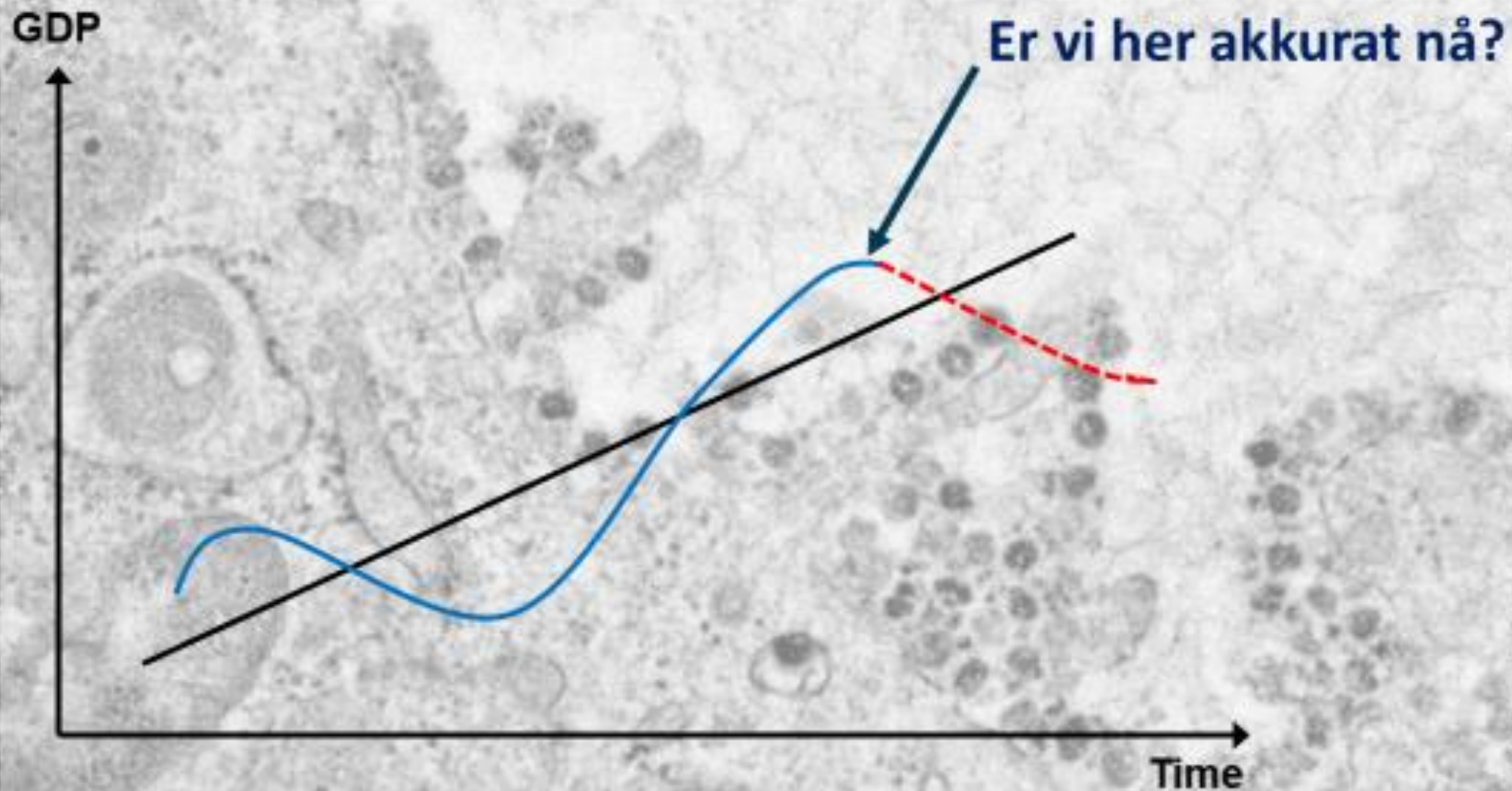
# PMI-index, China

NHH



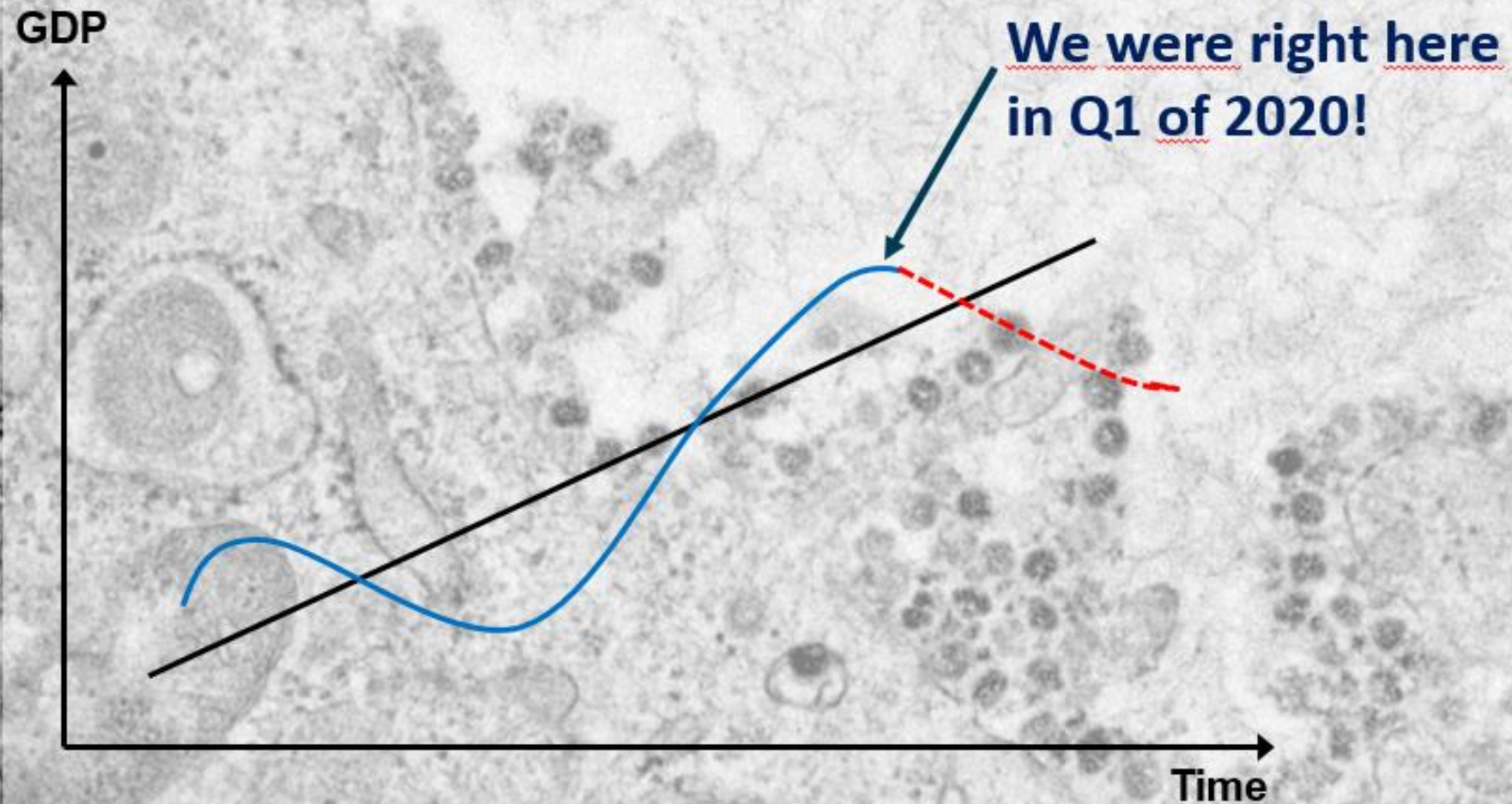


# Koronaviruset – Et sjokk som gir nedgangstider?





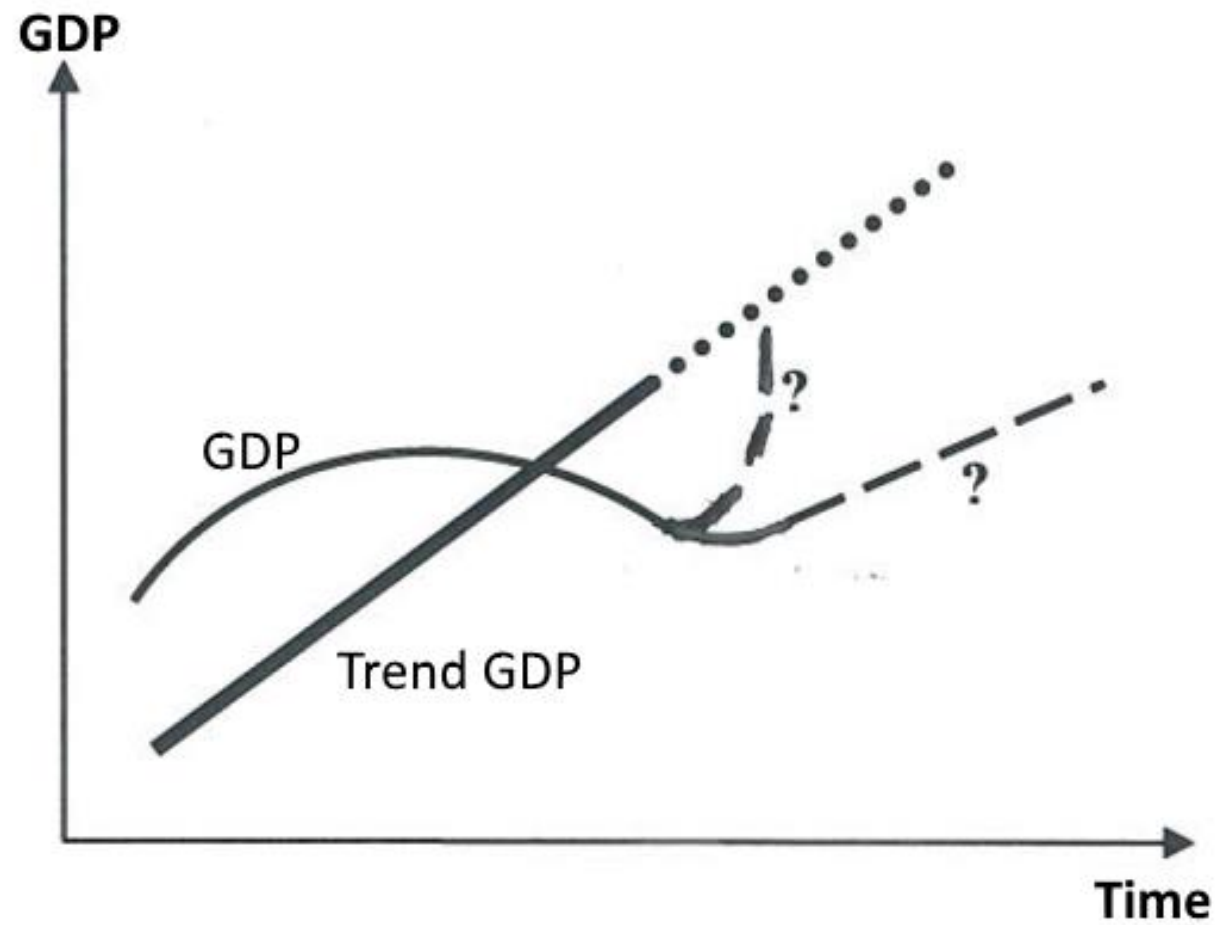
## Covid-19: The shock that did trigger a recession



NORWEGIAN SCHOOL OF ECONOMICS

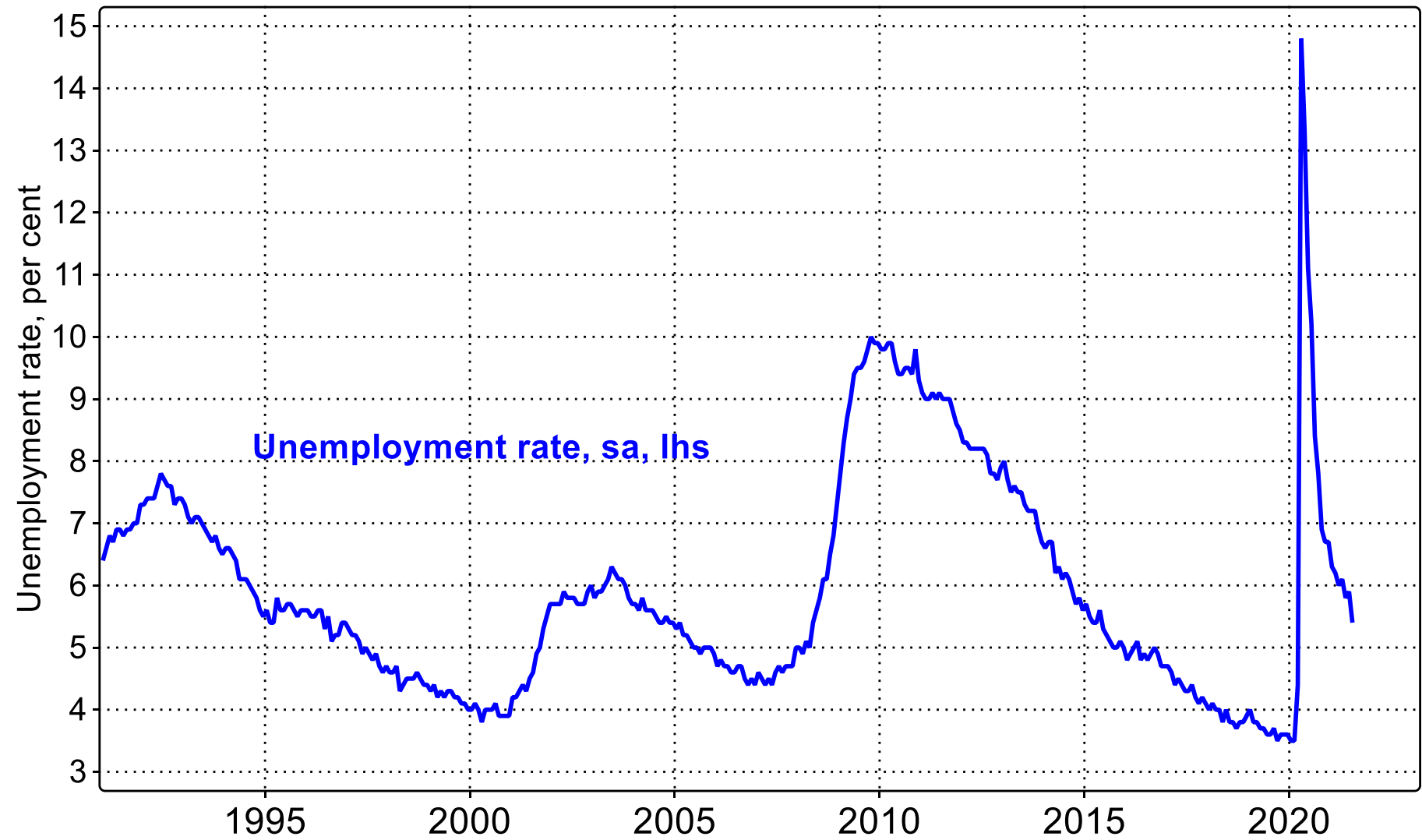
Foto: University of Hong Kong

A «V», «U», «W» or «L» type of recession?





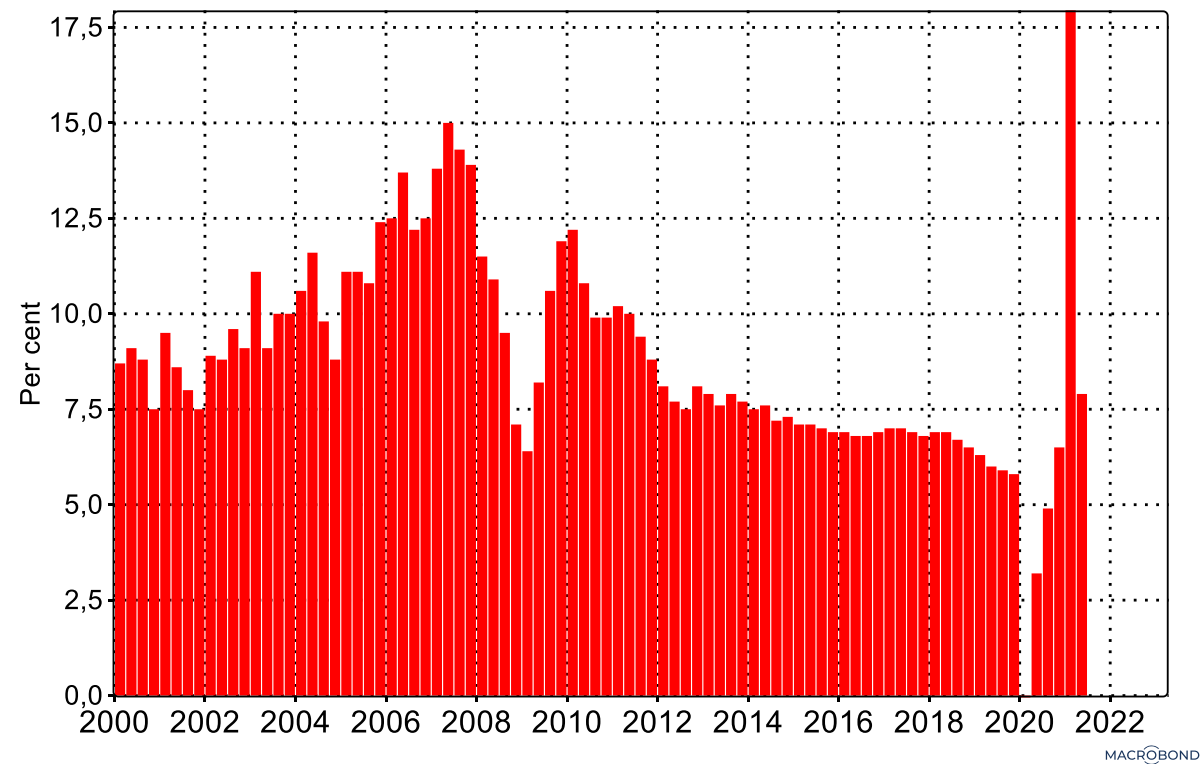
## USA - Labor market



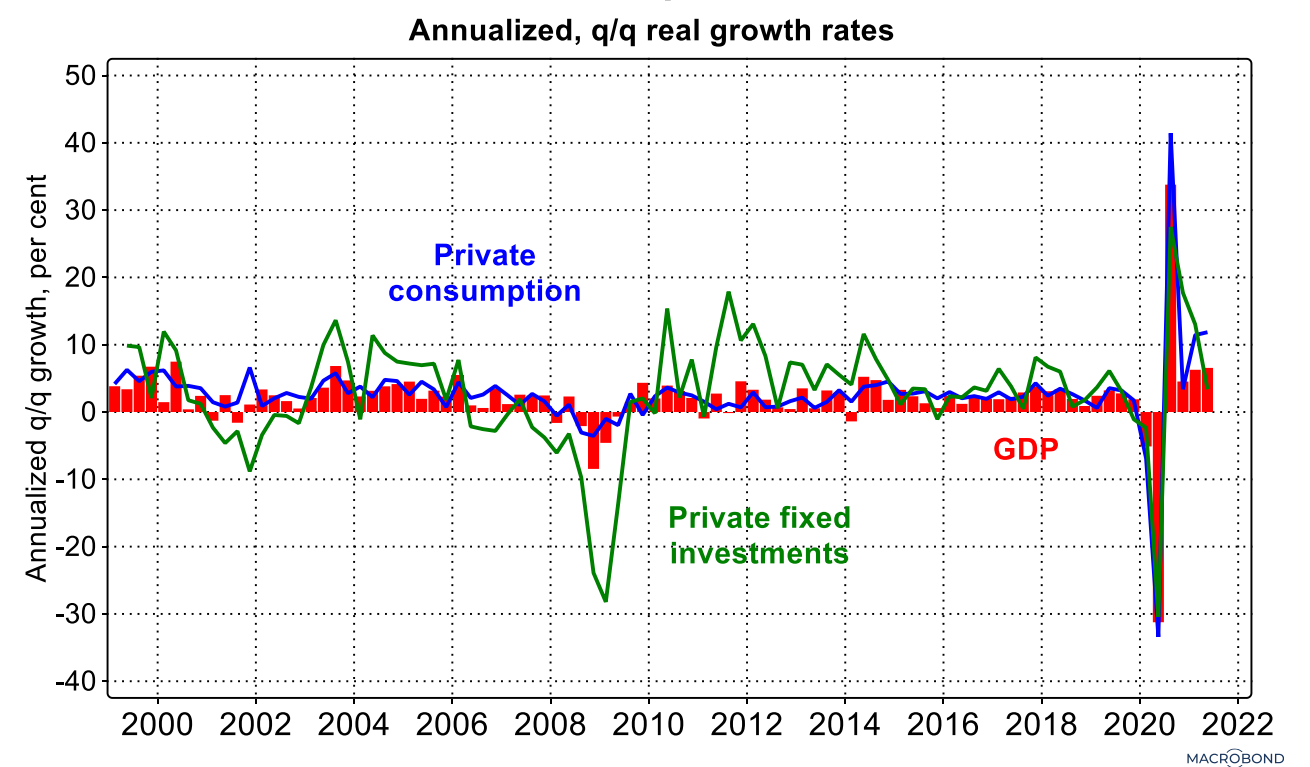
MACROBOND



China - GDP, Y/Y real growth



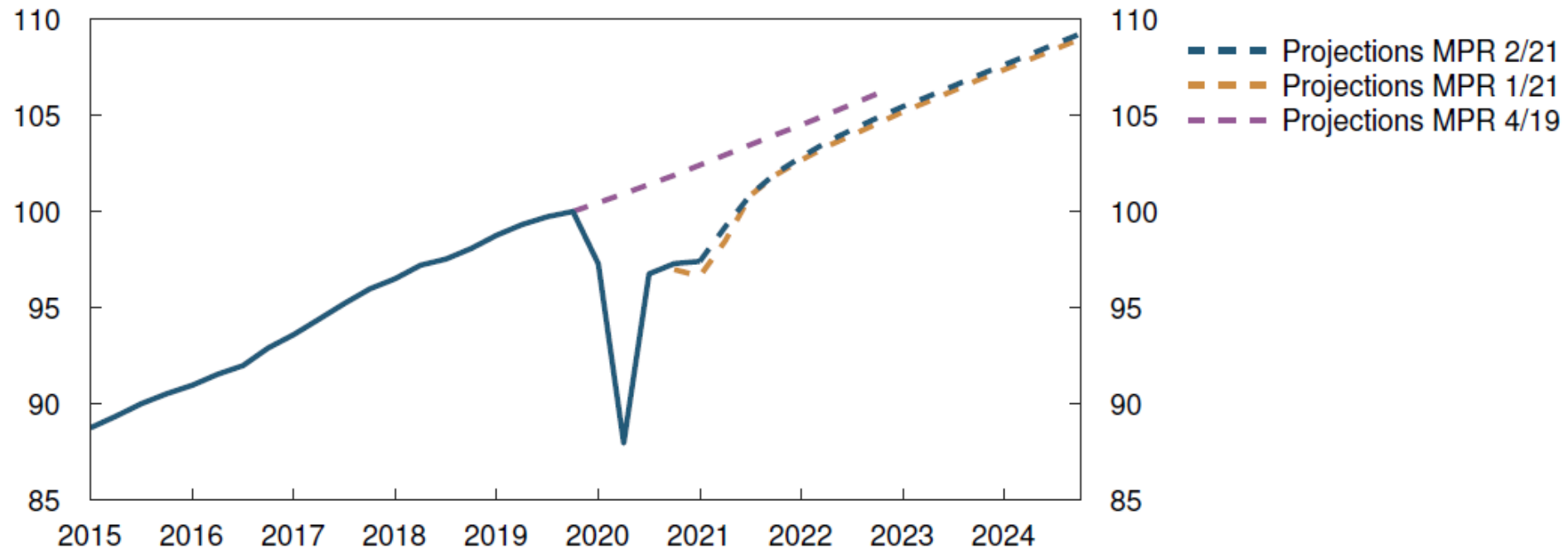
United States - GDP, consumption and fixed investments



# GDP of Norwegian trading partners, Norges Bank

**Chart 1.4 GDP back at pre-pandemic levels during autumn 2021**

GDP for trading partners. Index. 2019 Q4 = 100

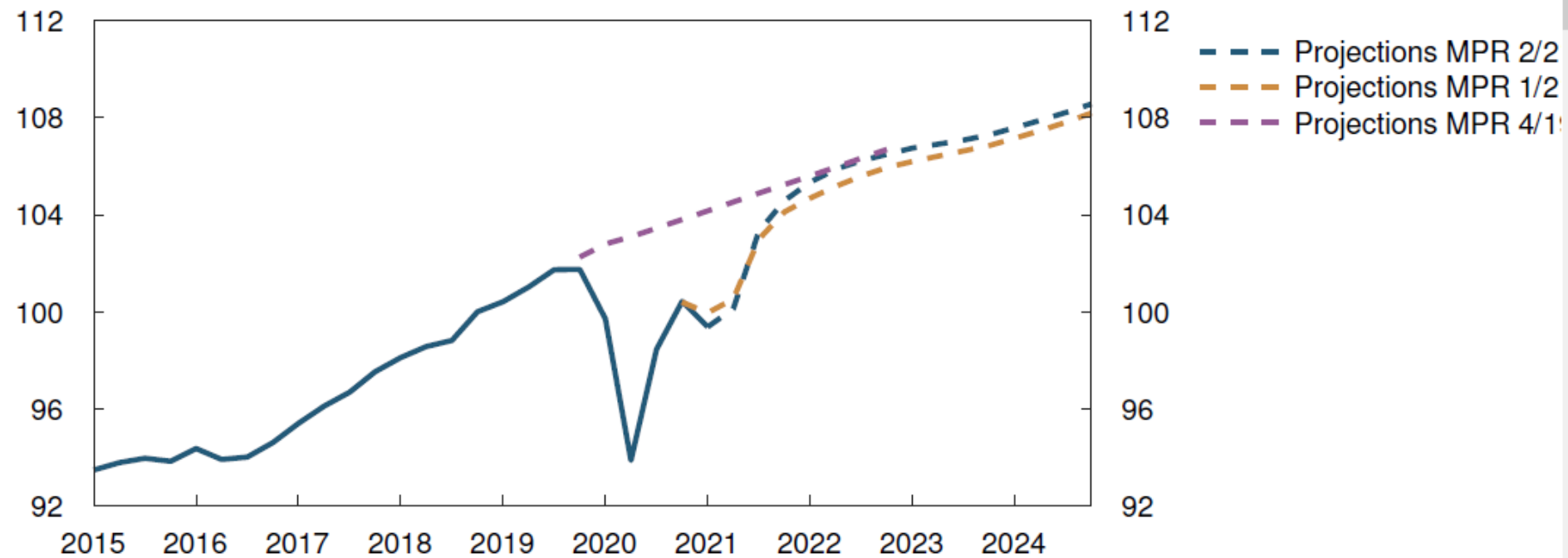


Sources: Refinitiv Datastream and Norges Bank

# GDP of Norway, Norges Bank

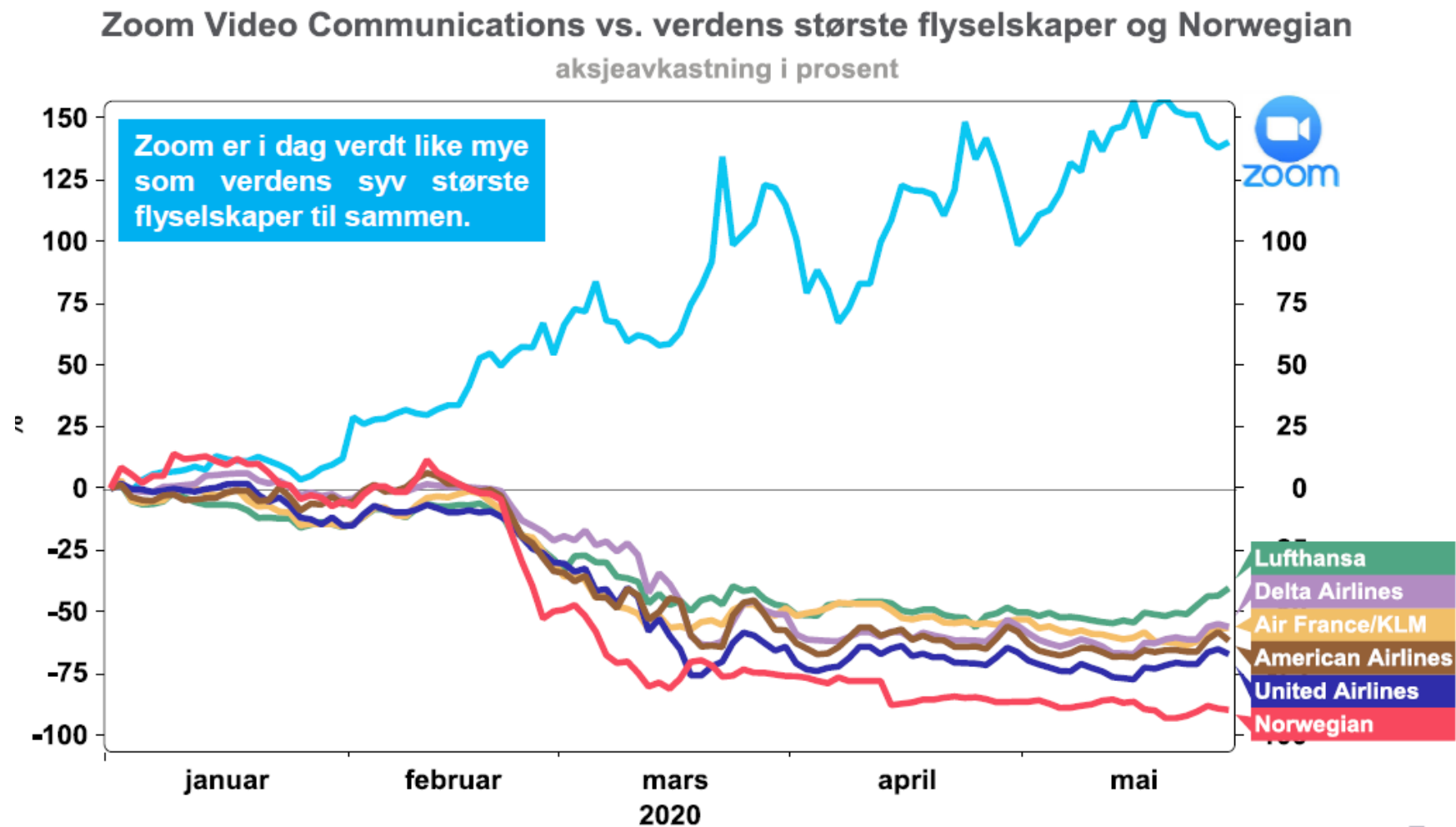
**Chart 3.2 Higher growth prospects**

GDP for mainland Norway. Seasonally adjusted. Index. Q4 2018 = 100



Sources: Statistics Norway and Norges Bank

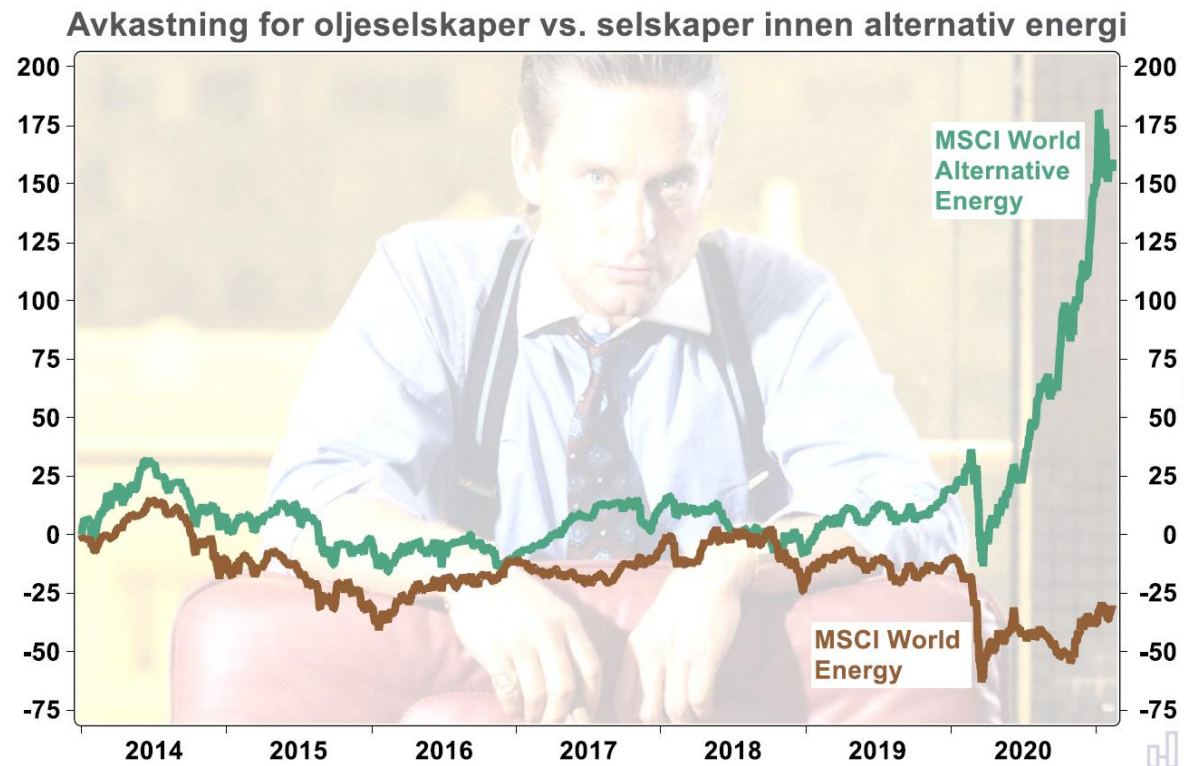
# Winners and losers (i)...



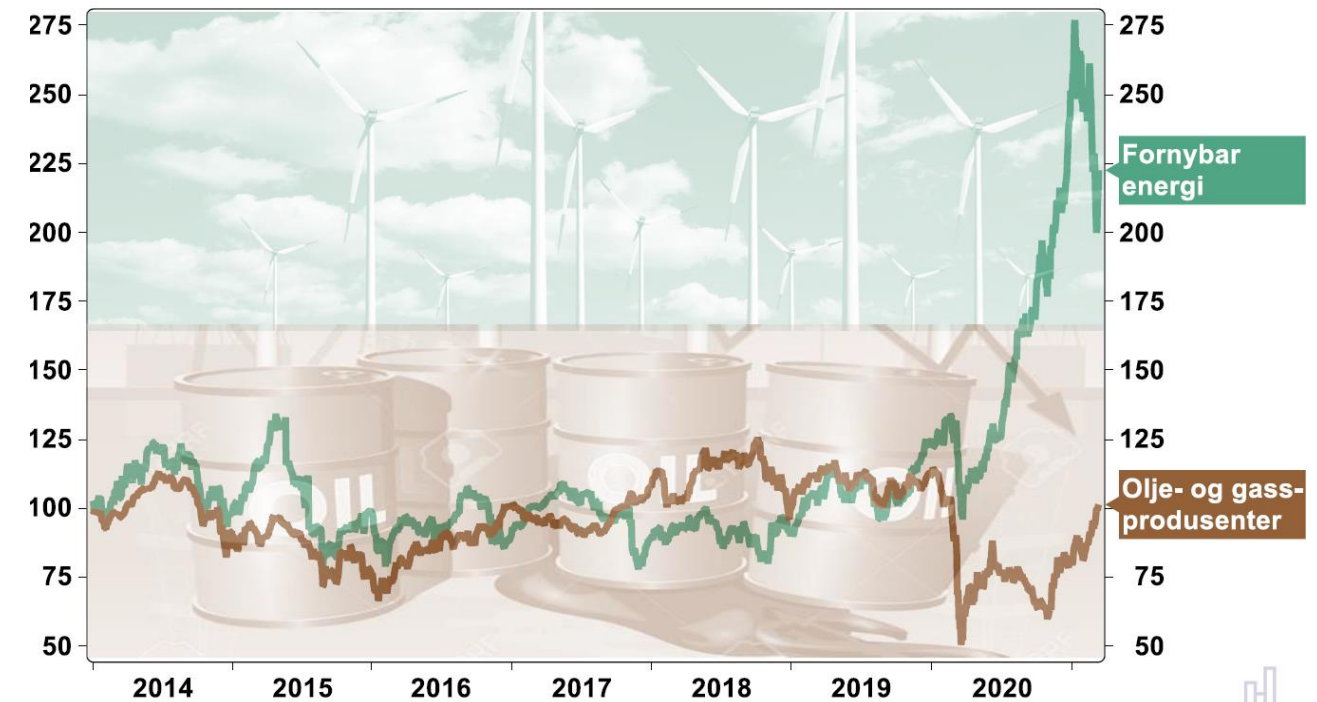


# Renewables vs. oil & gas

## Green is good



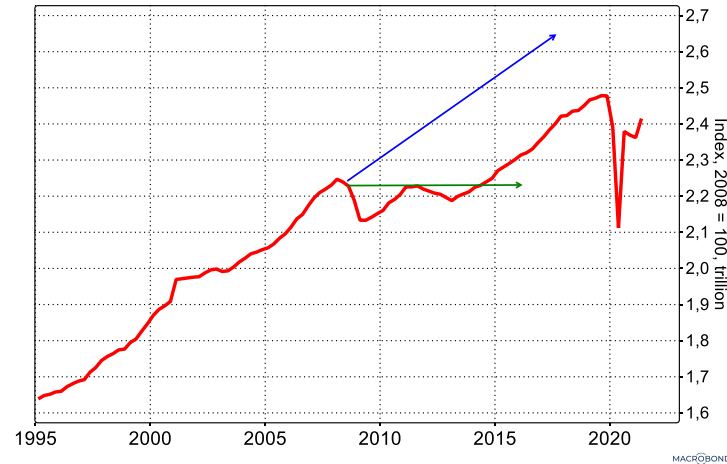
Fossil vs. fornybar energi  
Avkastning globale aksjeindekser (inkl. utbytte i USD)



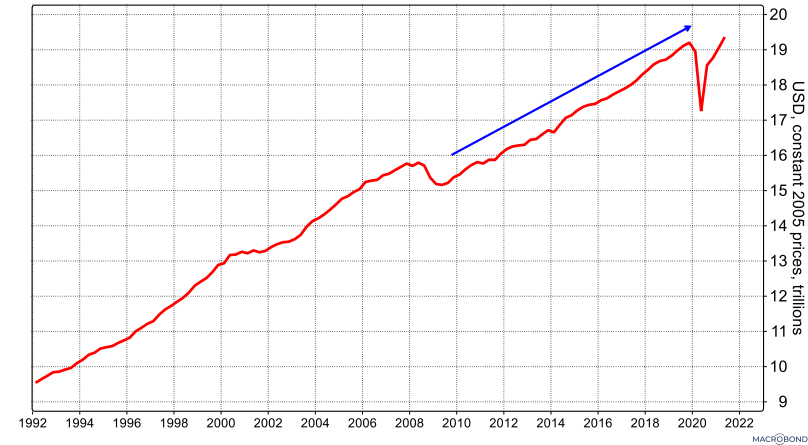


# Growth in the long run...

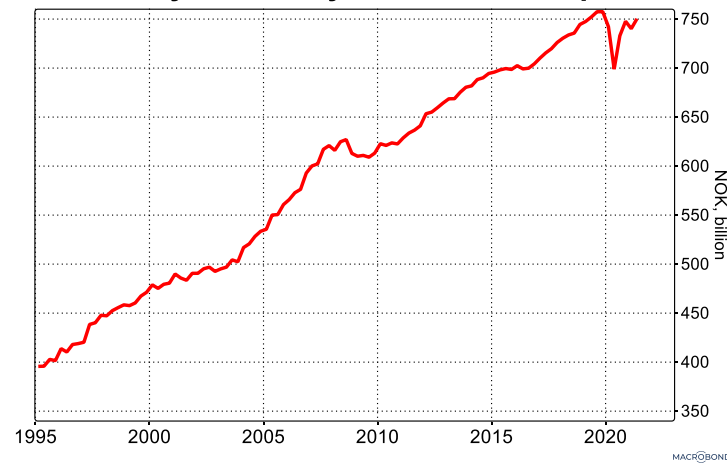
**Eurozone, Quarterly GDP, constant prices**



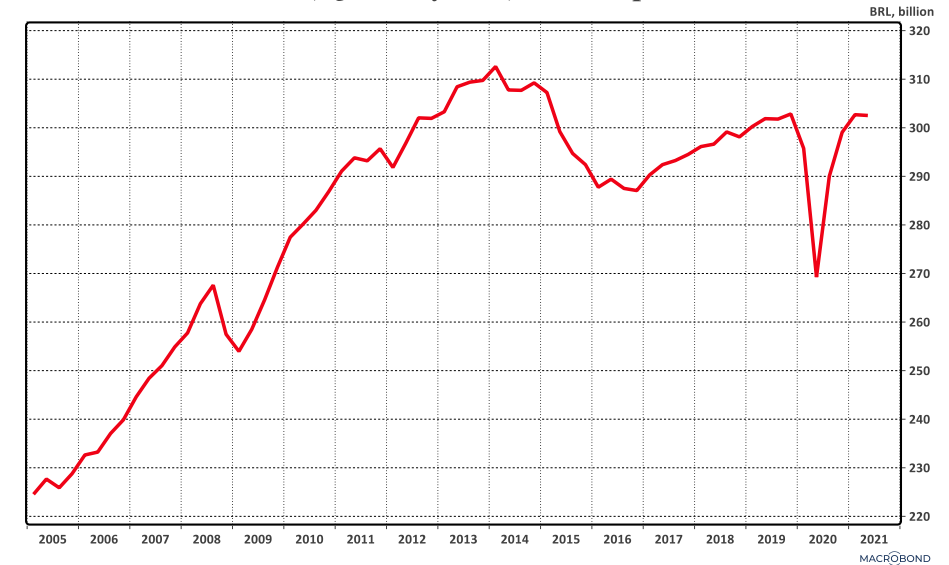
**USA - Quarterly GDP, constant prices**



**Norway, Quarterly GDP, constant prices**

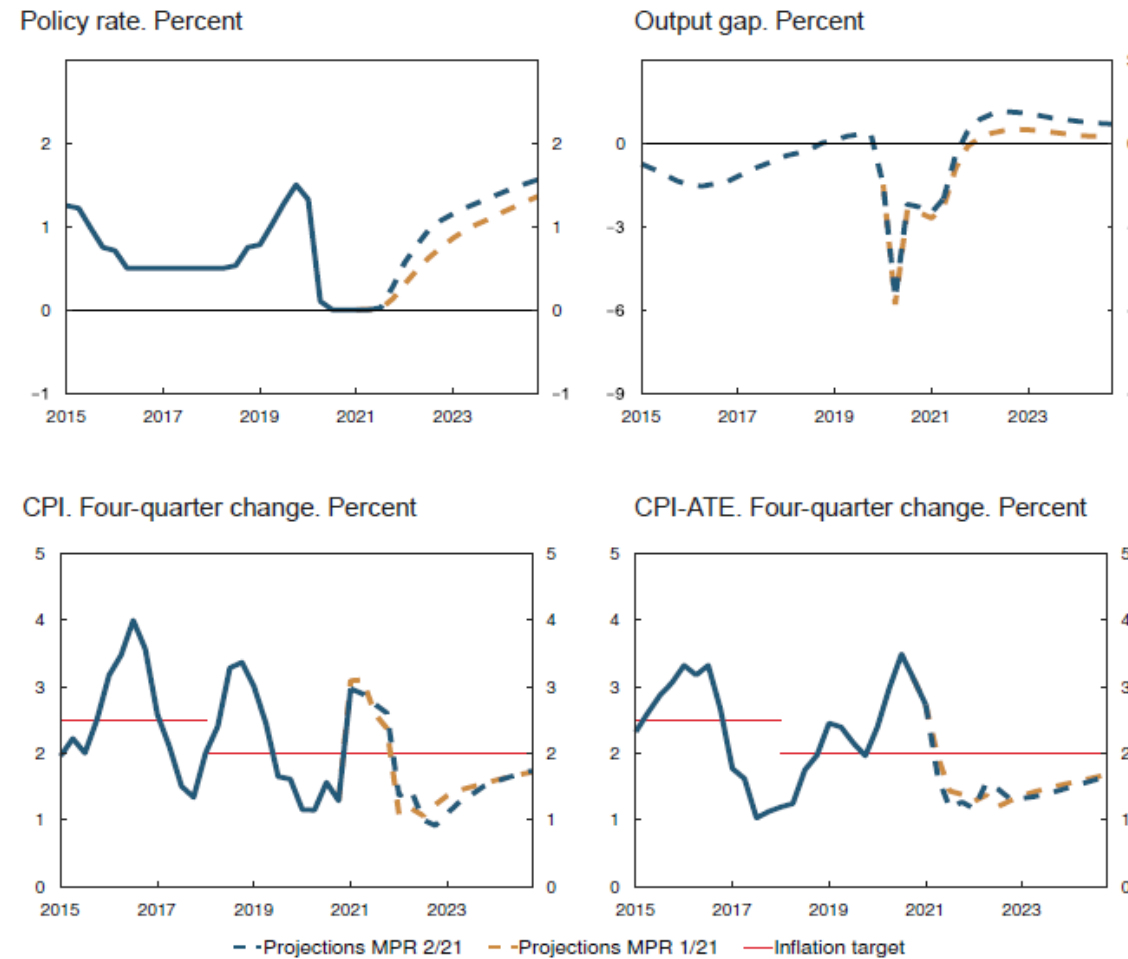


**Brazil, Quarterly GDP, constant prices**



# The Norwegian economy according to Norges Bank, MPR 2/2021

Chart F Low policy rate helps to achieve the objectives of monetary policy

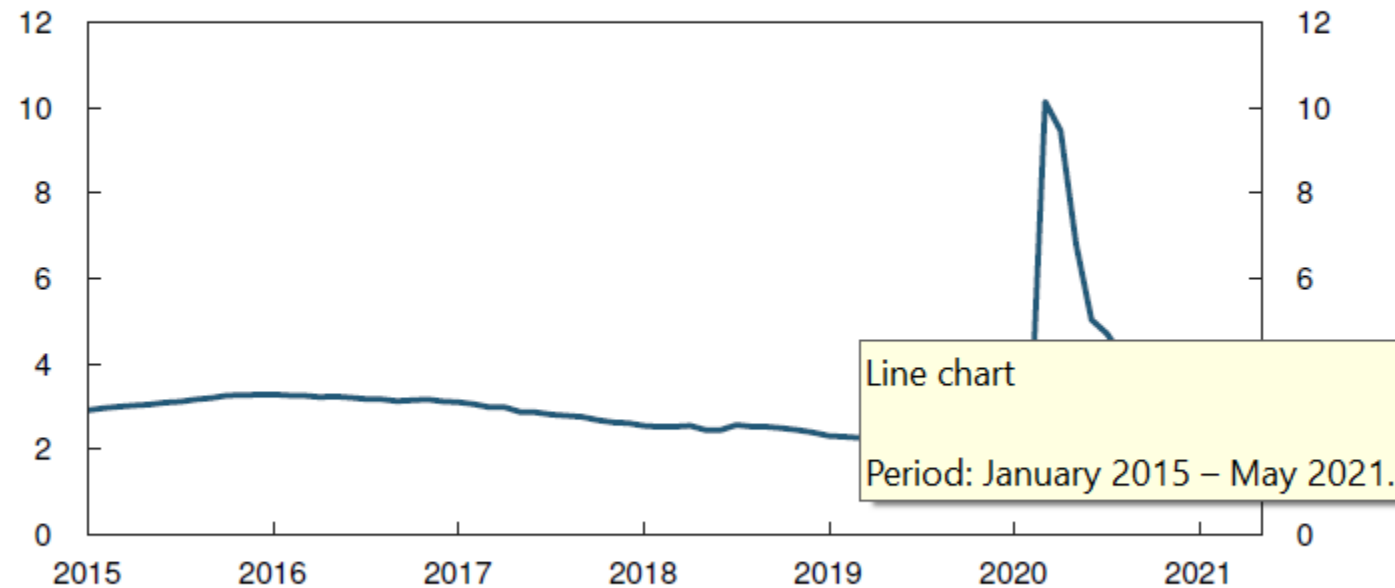


Sources: Statistics Norway and Norges Bank

# Registrerte ledige i Norge

**Chart D Lower unemployment**

Registered fully unemployed as a share of the labour force. Seasonally adjusted. Percent



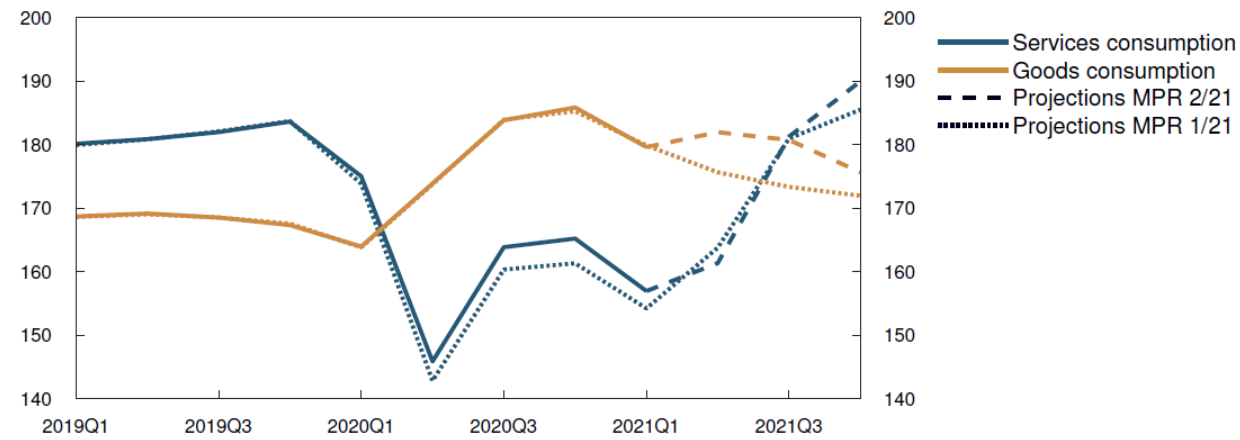
Source: Norwegian Labour and Welfare Administration (NAV)





### Chart 3.4 Reopening of society pushes up services consumption ahead

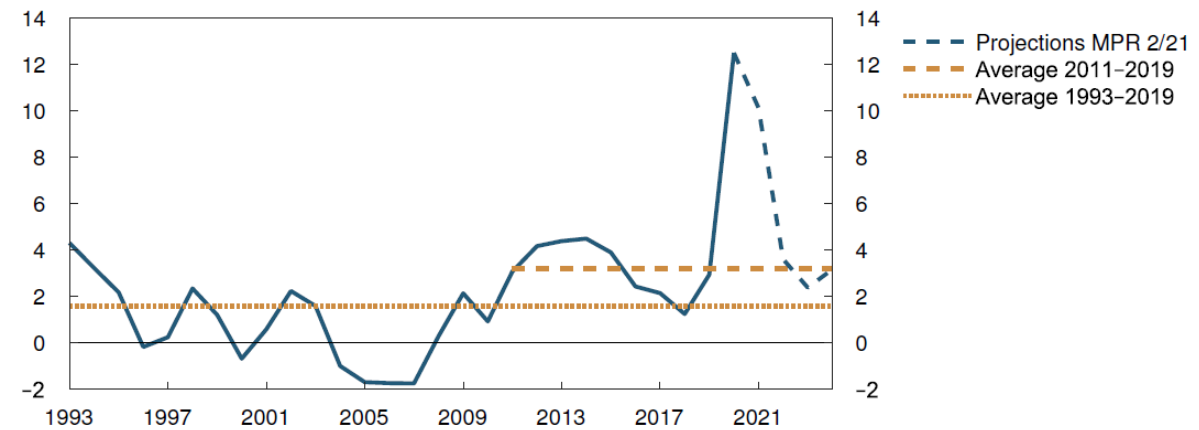
Goods and services consumption. Constant prices. Seasonally adjusted. In billions of NOK



Sources: Statistics Norway and Norges Bank

### Chart 3.5 High savings provide room for consumption growth

Household saving ratio excluding dividends. Percentage points



Sources: Statistics Norway and Norges Bank



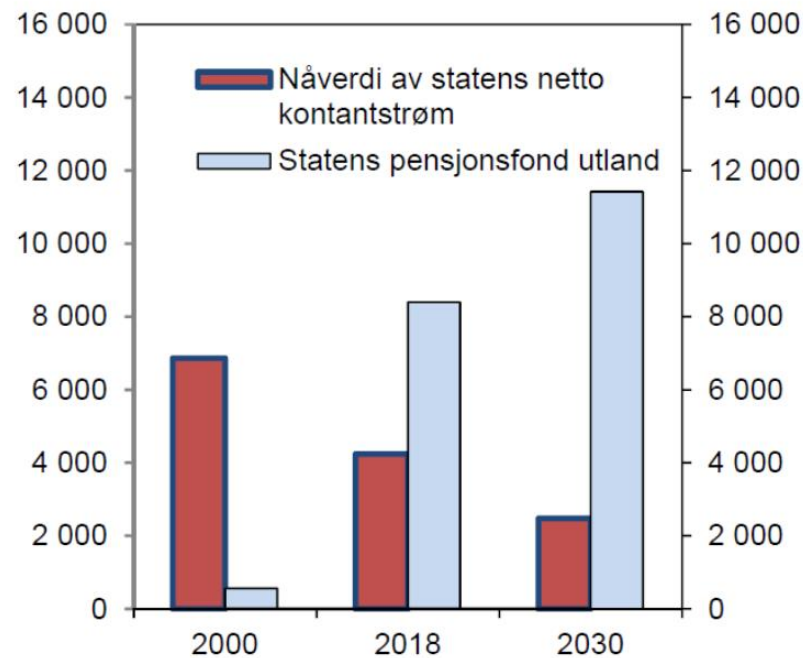
## Obviously strong short run gains from Norwegian economic policy responses to C-19 effects – but what about the long run...

- The initial powerful policy measures provided significant short run gains – but may ruin long run incentives if they persist
  - Short run policies must be reversed or adjusted in order to support long run growth
  - Problem: Inactivity can not be rewarded...
  - Over time policies must support efficient sectoral adjustments
  - Risk: «Rent-seeking» activities stimulated when fiscal policy becomes too soft
  - Political instability: Will fiscal policy be disciplined by a minority coalition government
  - How should we assess recent sector-specific tax-policy decisions and measures

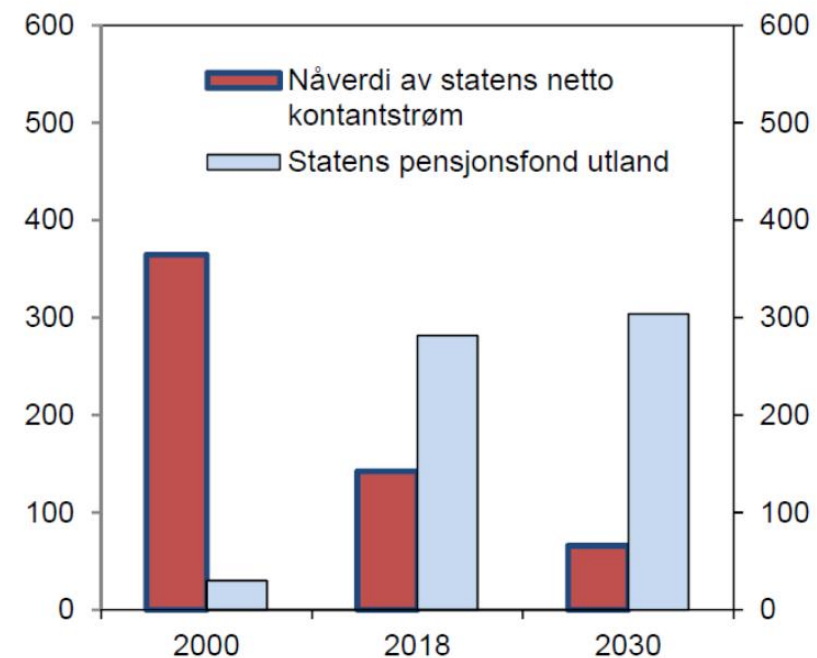
# Prospects for fiscal policy: The Norwegian «Fiscal Rule» will now face a serious test

## Fra petroleumsreserver til finansformue

A. Mrd. 2018-kroner

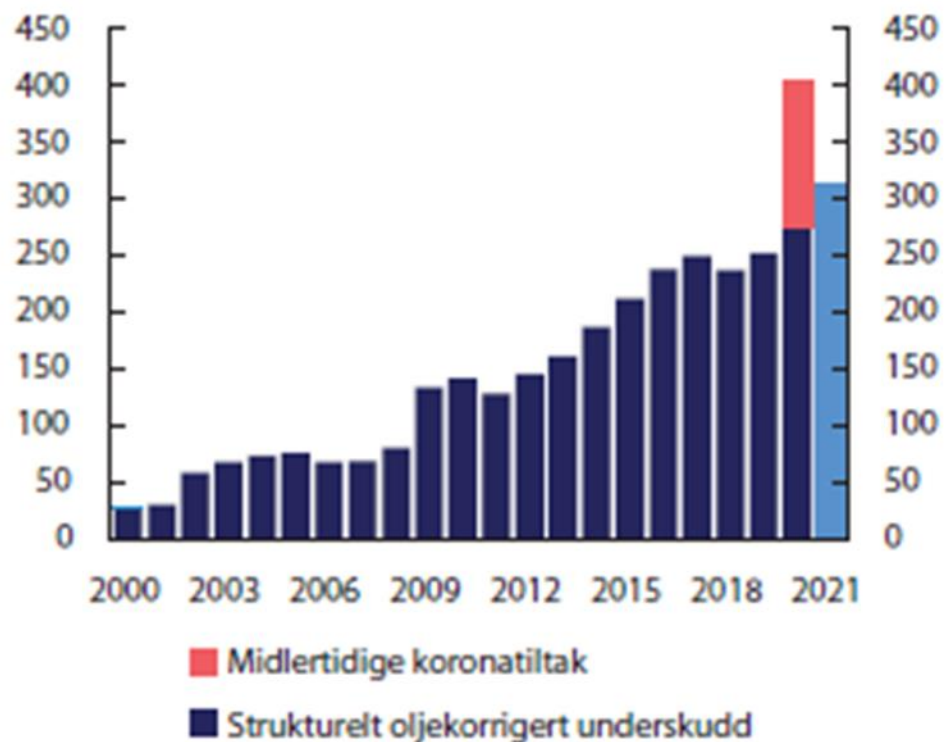


B. Prosent av trend-BNP Fastlands-Norge



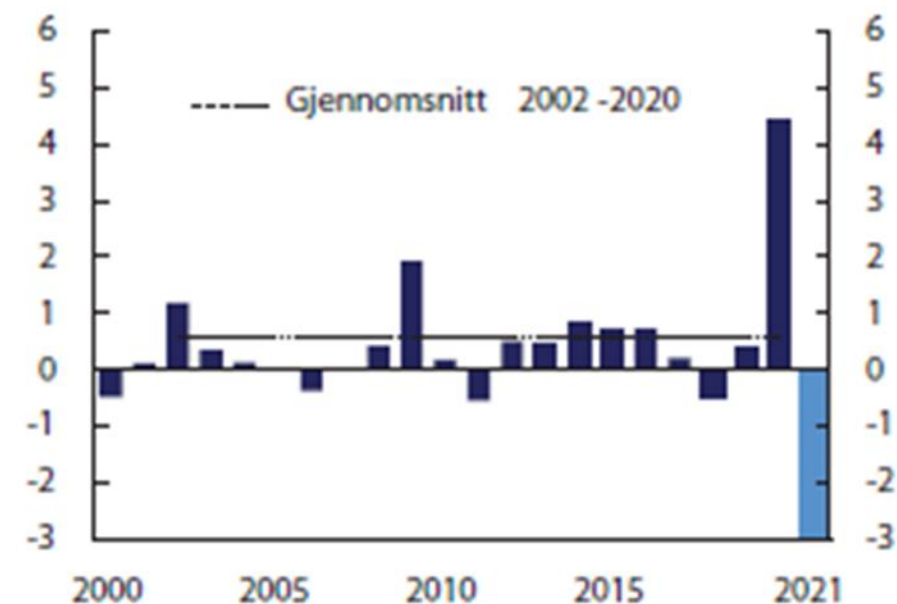
# Fiscal budget for 2021

A. Strukturelt oljekorrigert budsjettunderskudd.  
Mrd. 2021-kroner



*Spending of petroleum revenues =*  
Structural non-oil deficit

B. Strukturelt oljekorrigert budsjettunderskudd i  
prosent av trend-BNP for Fastlands-Norge.  
Endring fra året før

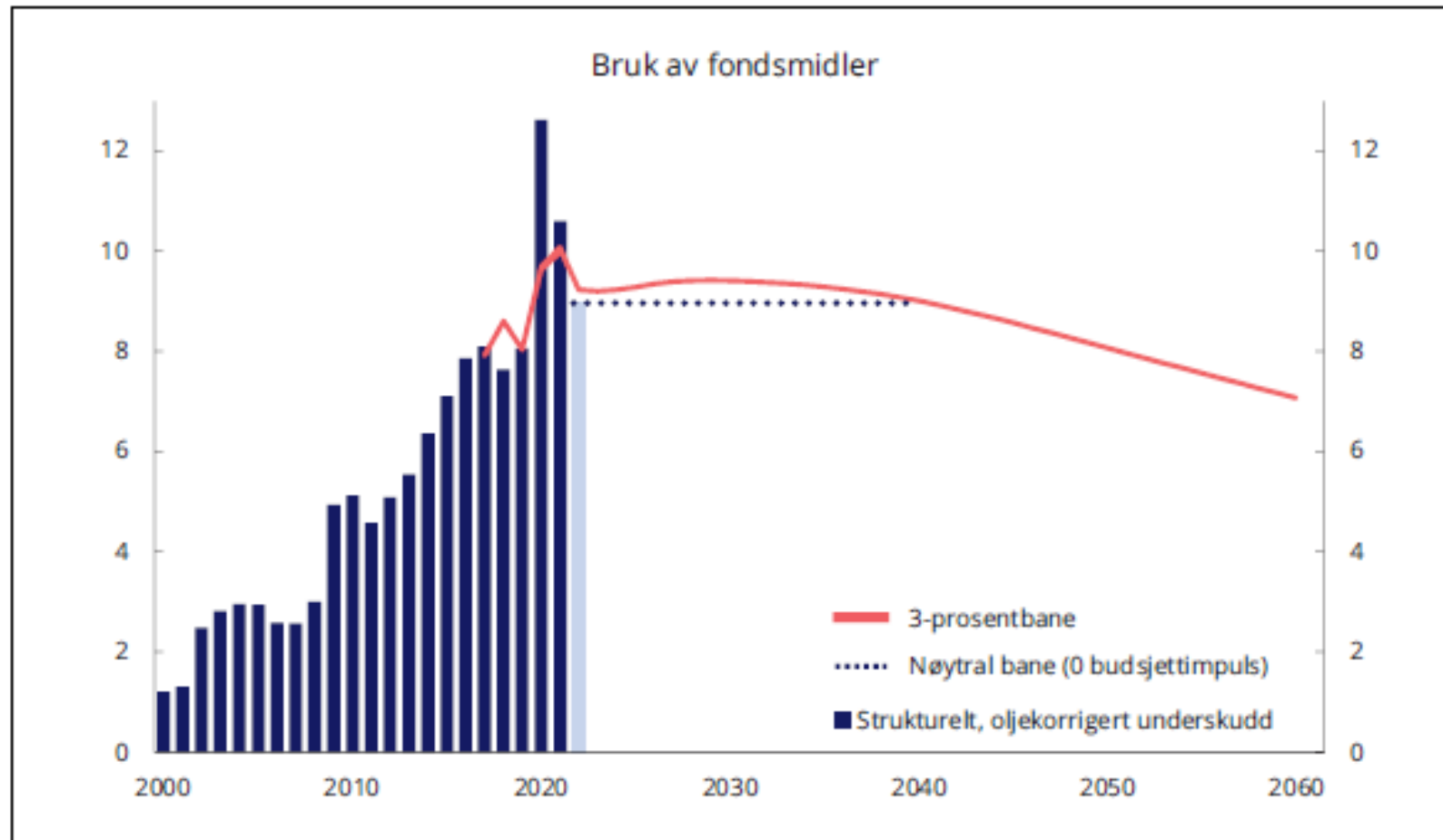


The fiscal *impulse*: The change in the structural non-oil deficit, as per cent of trend GDP for Mainland Norway



# Updated prospects 2021: Spending has peaked, expect zero impulses ahead

NHH



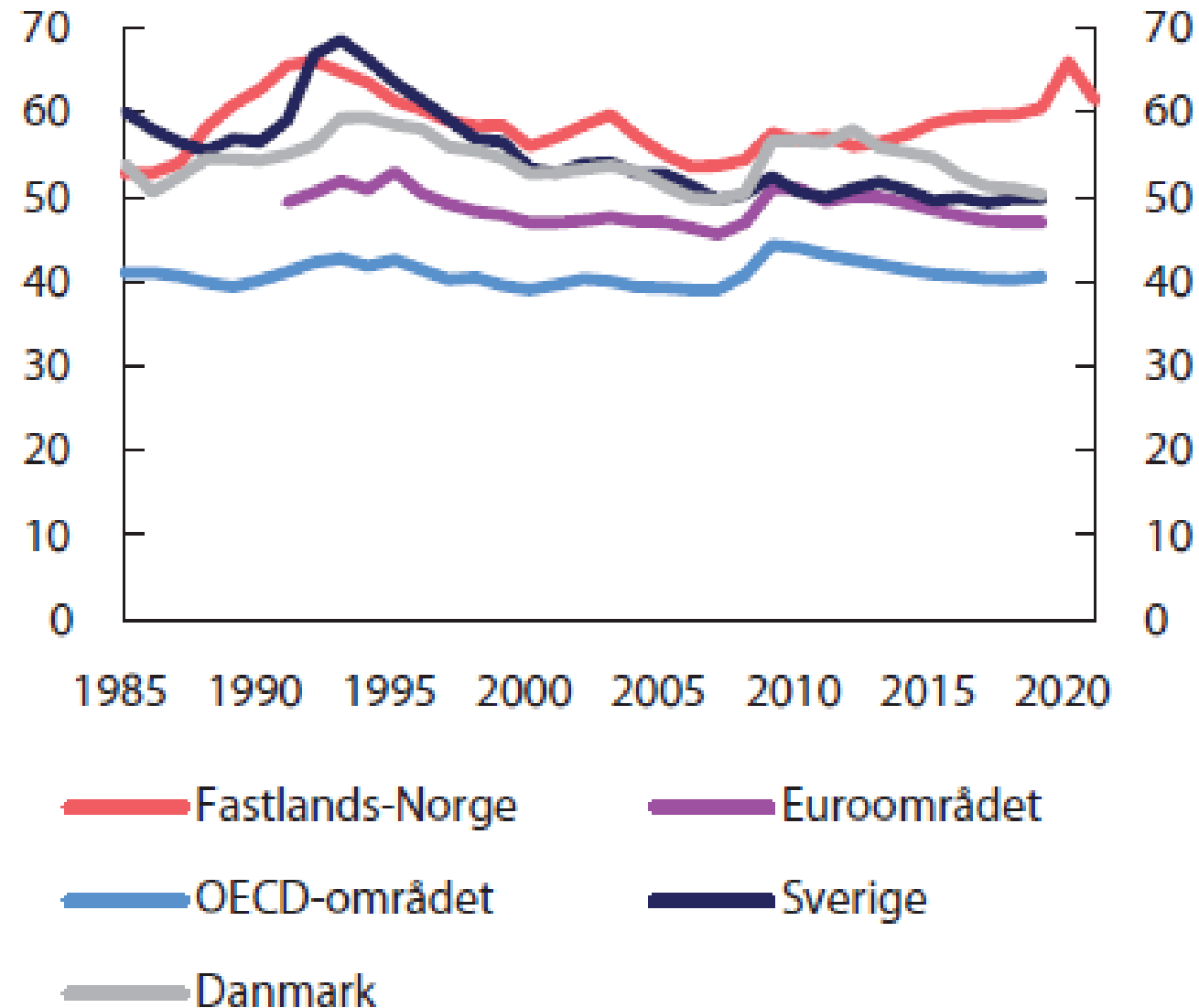
Figur 7.2 Strukturelt oljekorrigert underskudd og forventet realavkastning i Statens pensjonfond utland med en gjennomsnittlig impuls på 0,0–0,1 pst. Prosent av BNP for Fastlands-Norge

Kilde: Finansdepartementet.

Source: Stm 14/2021

# Public expenditures as a share of GDP

## C. Utgifter i offentlig forvaltning





# Don't worry, be happy? – At least in the very long run

