

# Budget 2018



- Key figures for the Norwegian economy
- Main figures of the Fiscal Budget
- Direct and indirect tax rates



## Main figures of the Fiscal Budget and the Pension Fund excluding borrowing and lending transactions for 2017 and 2018 (NOK million)

	Estimated accounts 2017	Adopted budget 2018
<i>Total revenue of the Fiscal Budget</i>	1 219 894	1 255 665
Revenue from petroleum activities	194 478	208 049
Revenue excluding petroleum revenue	1 025 416	1 047 616
<i>Total expenditure of the Fiscal Budget</i>	1 283 810	1 327 982
Expenditure on petroleum activities	27 000	25 000
Expenditure excluding petroleum expenditure	1 256 810	1 302 982
= Fiscal Budget surplus before transfers to the Pension Fund Global	-63 916	-72 317
- Net cash flow from petroleum activities	167 478	183 049
= Petroleum adjusted surplus	-231 394	-255 366
+ Transferred from the Pension Fund Global	231 394	255 366
= <i>Fiscal Budget surplus</i>	0	0
+ Net allocated to the Pension Fund Global	-63 916	-72 317
+ Fund revenue from interest and dividends	206 800	213 600
= <i>Total surplus of the Fiscal Budget and the Pension Fund</i>	142 884	141 283

Source: Ministry of Finance

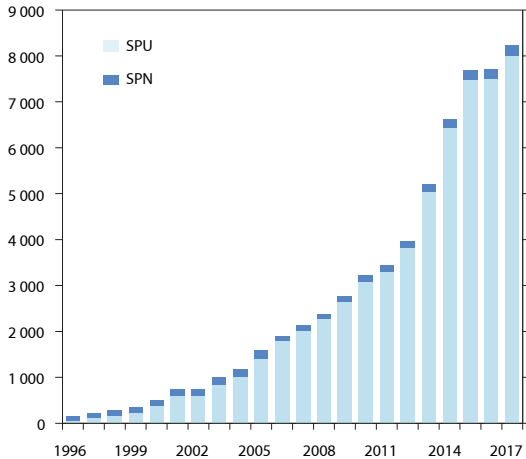
## The borrowing and lending transactions, and financing requirements, of the Fiscal Budget for 2017 and 2018 (NOK million)

	Estimated accounts 2017	Adopted budget 2018
<i>Borrowing and lending transactions excluding petroleum</i>		
Lending, subscription for shares, etc.	101 099	102 883
- Repayment	108 294	165 334
- Fiscal Budget surplus	0	0
= Net financing requirements	-7 195	-62 451
+ Debt instalments	50 959	0
= <i>Gross financing requirements of the Fiscal Budget</i>	43 764	-62 451

Source: Ministry of Finance

### Market value of the Government Pension Fund Global

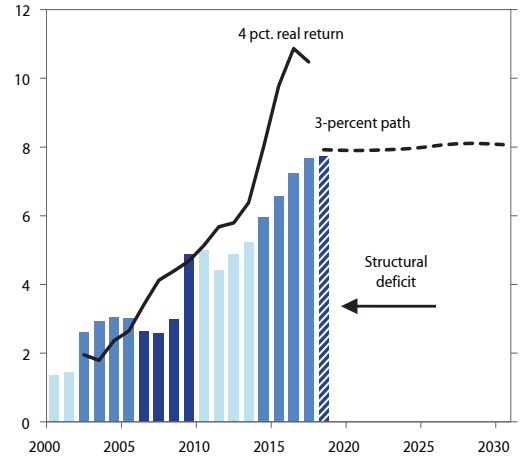
NOK billion. 1996 - first half of 2017



Source: Ministry of Finance

### Structural ,non-oil deficit and real return of the Government Pension Fund

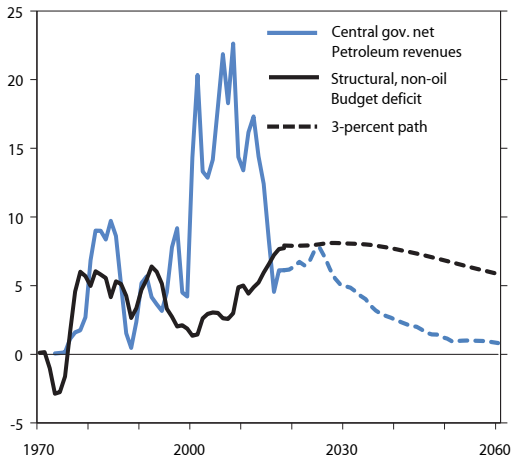
Percentage of trend GDP for Mainland Norway



Source: Ministry of Finance

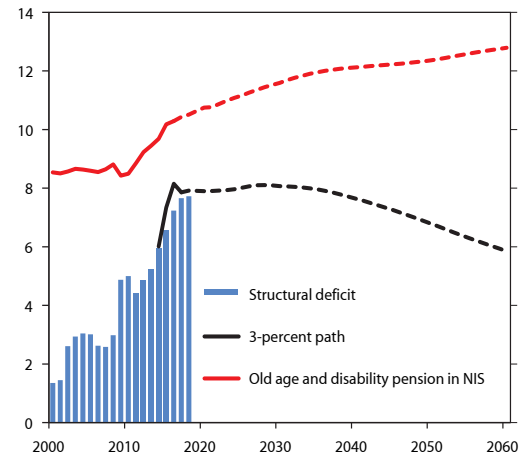
### Government net petroleum revenues, structural non-oil budget deficit and expected real return on Government Pension Fund Global

Per cent of Mainland Norway GDP



Source: Ministry of Finance

### Pension expenditures and the 3-percent path



Source: Ministry of Finance

## Key figures for the petroleum sector

	2016	2017	2018	2019	Oil price sensitivity 2018 <sup>1</sup>
<b>Assumptions:</b>					
Crude oil price, NOK per barrel	379	438	438	441	
Production, Mill. Sm <sup>3</sup> o.e.					
- Crude oil, condensate and NGL	116	116	108	104	
- Natural gas	115	117	117	117	
<b>NOK billion:</b>					
Paid taxes	48	77	91	94	2.6
Net revenues from SDØE	66	90	77	88	1.8
Net cash flow	125	175	183	192	4.3

1) Effects of an oil price increase of NOK 10 per barrel.

Sources: Statistics Norway, Ministry of Petroleum and Energy, Norwegian Petroleum Directorate and Ministry of Finance.

## Child benefit and cash benefit

	2017-rules	2018-rules	Change 2017-2018
Annual child benefit rate	NOK 11 640	NOK 11 640	-
Single parent rate (children 0-3 years old) <sup>1</sup>	NOK 7 920	NOK 7 920	-
Monthly full rate cash benefit for children aged 13-23 months	NOK 7 500 <sup>2</sup>	NOK 7 500 <sup>3</sup>	-

1) Applicable only to single parents receiving transitional benefit.

2) From 1.8.2017, if the child is not in kindergarten, full cash benefit is given. If the child has partial day care in kindergarten at 19 hours or less per week, the cash benefit is 50 percent of the full rate.

3) From 1.8.2018, if the child is not in kindergarten, full cash benefit is given. If the child has partial day care in kindergarten at 1-8 hours per week, the cash benefit is 80 percent of the full rate, 9-16 hours is 60 percent, 17-24 hours is 40 percent, 25-32 hours is 20 percent, and 33 hours or more is no benefit.

Source: Ministry of Finance

## Fiscal Budget revenue and expenditure 2018, excluding borrowing and lending transactions (NOK billion)

<b>Fiscal Budget revenue (excl. petroleum)</b>	1 047.6
Sum direct and indirect taxes from Mainland Norway	973.9
Taxes on wealth and income	246.8
Employer's and employee's social security contributions	326.8
Value added tax	291.5
Excise duties on tobacco and alcohol	20.9
Excise duties on cars	24.8
Excise duties on electricity	11.1
Customs revenue	3.5
Other indirect taxes	48.5
Interest and dividends	30.6
Revenue from government business operations	2.5
Other revenue	40.6

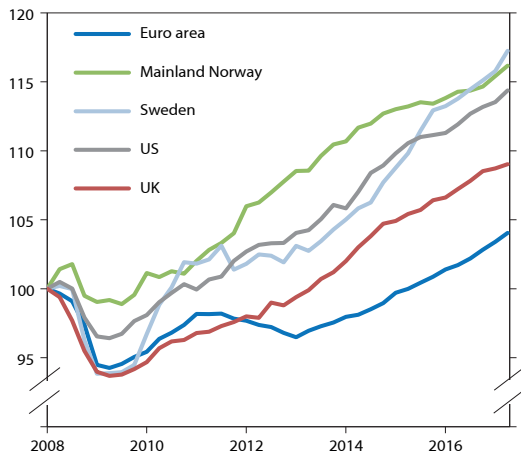
<b>Fiscal Budget expenditure (excl. petroleum)</b>	1 303.0
Sum National Insurance Scheme	470.7
Retirement pension	223.1
Sickness allowance	42.6
Other social security payouts (social causes)	137.5
Disability and medical rehabilitation	32.0
Maternity, paternity and adoption pay	21.2
Unemployment benefit and payments relating to occupational rehabilitation	14.2
General grants to local governments	164.7
Regional health enterprises (hospitals)	147.7
Transport and communications (including operation and maintenance of classified roads)	67.1
Defence	54.9
Higher education and tertiary vocational education	38.7
Foreign aid (ODA approved)*	33.8
Police and public prosecution	20.2
Child benefit and cash benefit	16.8
Agricultural Agreement	15.1
Interest on government debt	8.9
Other expenditure	264.3
Petroleum adjusted surplus	-255.4
Government net cash flow from petroleum sector	183.0

\* In addition, the ODA approved foreign aid includes primary capital to Norfund, funds to the Asian Infrastructure Investment Bank (AIIB), foreign aid expenditure under the Ministry of Education and Research, the foreign aid expenditure of the Office of the Auditor General of Norway and value added tax related to foreign aid.

Source: Ministry of Finance

## GDP, seasonally adjusted volume indices

1. Q 2008=100



Sources: OECD, Statistics Norway and Macrobond

## Crude oil price (Brent)

USD per barrel. Spot prices and forward prices

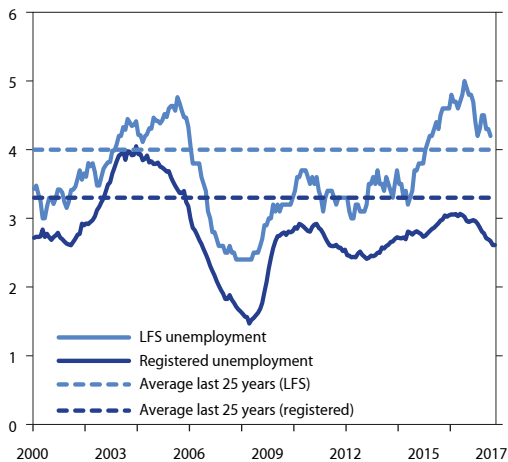


Source: National budget 2018

## Unemployment. Percentage of the labour force

LFS and reg. unemployment.

Seasonally adjusted

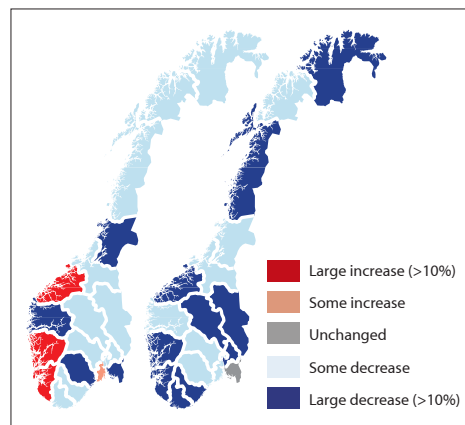


Sources: Statistics Norway, Norwegian Labour and Welfare Administration and Ministry of Finance

## Annual change in registered unemployment

From respectively Sept. 2015–Sept. 2016 (left)

and Sept. 2016–Sept. 2017 (right)



Source: Norwegian Labour and Welfare Administration and Ministry of Finance