



NORWAY
INVESTMENT CLIMATE STATEMENT
2015

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Executive Summary

Norway is a modern, highly developed country with a small but very strong economy. Per capita GDP is among the highest in the world, boosted by success in the oil and gas sector and other top-class industries like shipping, shipbuilding and aquaculture. The major industries are supported by a strong and growing professional services industry (finance, ICT, legal), and there are emerging opportunities in cleantech, medtech and biotechnology. Strong collaboration between industry and research institutions attracts international R&D activity and funding.

Norway is a safe and easy place to do business, ranked 6 out of 189 countries in the World Bank's Doing Business Report, and 5 out of 175 on Transparency International's Corruption Perceptions Index. Norway is politically stable, with strong property rights protection and an effective legal system. Productivity is significantly higher than the EU average, but a rising cost base is a growing challenge. With unemployment under 4 percent (Dec 2014), the tight labor market is a challenge for some industries.

Norway welcomes foreign investment as a matter of policy and generally grants national treatment to foreign investors. In the OECD's (Organization for Economic Cooperation and Development) 2013 FDI Regulatory Restrictiveness Index, Norway is ranked close to the OECD average (slightly less restrictive than the United States). Some restrictions exist on foreign ownership and use of natural resources and infrastructure. The government remains a major owner in the Norwegian economy and retains monopolies on a few activities, such as the production and retail sale of alcohol.

As an EEA signatory, Norway continues to liberalize its foreign investment legislation to conform more closely to European Union (EU) standards and has cut red tape over the last decade to make investment easier. Foreign direct investment in Norway stood at NOK 1.2 trillion/USD 200 billion at the end of 2013 and has more than doubled over the last decade. In 2013, the Government established "Invest in Norway," Norway's official investment promotion agency, to help attract and assist foreign investors. There are about 5,500 foreign-owned companies in Norway, and over 300 U.S. companies have a presence.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

Norway welcomes foreign investment as a matter of policy and generally grants national treatment to foreign investors. According to the OECD's (Organization for Economic Cooperation and Development) 2013 FDI Regulatory Restrictiveness Index, Norway is ranked close to the OECD average (slightly less restrictive than the United States). Norwegian authorities encourage foreign investment particularly in the key offshore petroleum sector, mainland industry, and in less developed regions such as northern Norway. In 2013, the Government established "Invest in Norway", Norway's official investment promotion agency, to help attract and assist foreign investors.

The policy vis-a-vis third countries, including the United States, will likely continue to be governed by reciprocity principles and by bilateral and international agreements. The European

Economic Area (EEA) free trade accord, which came into force for Norway in 1995, requires the country to apply principles of national treatment in certain areas where foreign investment was prohibited or restricted in the past. Norway's investment regime is generally based on the equal treatment principle, but national restrictions exist on ownership of some natural resources and on some activities (fishing/maritime transport). State ownership in companies can be used as a means of ensuring Norwegian ownership and domicile for these firms.

Other Investment Policy Reviews

WTO Trade Policy Review: Norway (October 2012)

https://www.wto.org/english/tratop_e/tpr_e/tp369_e.htm

Laws/Regulations of Foreign Direct Investment

As an EEA signatory, Norway continues to liberalize its foreign investment legislation to conform more closely to European Union (EU) standards. Current laws, rules, and practices follow below.

Government Monopolies

Norway has traditionally barred foreign and domestic investors alike from investing in industries monopolized by the government, including postal services, railways, and the domestic production and retail sale of alcohol. In 2004, Norway slightly relaxed the restrictions, allowing foreign companies to bid on providing certain postal services (e.g., air express services between countries) and railway cargo services (notably between Norway and Sweden). The government may allow foreign investment in hydropower (though limited to 20 percent of equity), but rarely does so. However, Norway has fully opened the electricity distribution system to foreign participation, making it one of the more liberal power sector investment regimes in the world.

Ownership of Real Property

Foreign investors may generally own real property, though ownership of certain real assets is restricted. Companies must obtain a concession to acquire rights to own or use various kinds of real property; including forests, mines, tilled land, and waterfalls. Foreign companies need not seek concessions to rent real estate, e.g. commercial facilities or office space, provided the rental contract is made for a period not exceeding ten years. The two major laws governing concessions are the Act of December 14, 1917, and the Act of May 31, 1974.

Petroleum Sector

The Petroleum Act of November 1996 (superseding the 1985 Petroleum Act) sets forth the legal basis for Norwegian authorities' awards of petroleum exploration, production blocks and follow-up activity. The act covers governmental control over exploration, production, and transportation of petroleum.

Foreign oil companies report no discrimination in the award of petroleum exploration and development blocks in recent licensing rounds. Norway has implemented EU directives requiring

equal treatment of EEA oil and gas companies. The Norwegian offshore concession system complies with EU directive 94/33/EU of May 30, 1994, which governs conditions for awards and hydrocarbon development. Norway's concession process operates on a discretionary basis, with the Ministry of Petroleum and Energy awarding licenses based on which company or group of companies it views will be the best operator for a particular field, rather than purely competitive bids. A number of U.S. energy companies are present on the NCS.

The Norwegian government has dismantled former tight controls over the gas pipeline transit network that carries gas to the European market. All gas producers and operators on the Norwegian Continental Shelf (NCS) are free to negotiate gas sales contracts on an individual basis, with access to the gas export pipeline network guaranteed.

Norwegian authorities encourage the use of Norwegian goods and services in the offshore petroleum sector, but do not require it. The Norwegian share of the total supply of goods and services on the NCS has remained approximately 50 percent over the last decade.

Manufacturing Sector

Norwegian legislation granting national treatment to foreign investors in the manufacturing sector dates from 1995. Legislation that formerly required both foreign and Norwegian investors to notify and, in some cases, file burdensome reports to the Ministry of Industry and Trade if their holdings of a company's equity exceeded certain threshold levels, was repealed in July 2002. Foreign investors are not currently required to obtain government authorization before buying shares of Norwegian corporations.

Financial and Other Services

Effective January 1, 2004, Norway liberalized restrictions on acquisitions of equity in Norwegian financial institutions. Current regulations delegate responsibility for acquisitions to the Norwegian Financial Supervisory Authority and streamline the process. Financial Supervisory Authority permission is required for acquisitions of Norwegian financial institutions that exceed defined threshold levels (20, 25, 33 or 50 percent). The Authority assesses the acquisitions to ensure that prospective buyers are financially stable and that the acquisition does not unduly limit competition.

The Authority applies national treatment to foreign financial groups and institutions, but nationality restrictions still apply to banks. At least half the members of the board and half the members of the corporate assembly of a bank must be nationals and permanent residents of Norway or another EEA nation. Effective January 1, 2005, there is no ceiling on foreign equity in a Norwegian financial institution as long as the Authority has granted permission for the acquisition.

The Finance Ministry has abolished remaining restrictions on the establishment of branches by foreign financial institutions, including banks, mutual funds and others. Under the liberalized regime, Norway grants branches of U.S. and other foreign financial institutions the same treatment as domestic institutions.

Media

Media ownership is regulated by the Media Ownership Act of 1997 and the Norwegian Media Authority. No individual party, domestic or foreign, may control more than 1/3 of the national newspaper, radio and/or television markets without a concession. National treatment is granted in line with Norway's obligations under the EEA accord. The introduction and growing importance of new media forms (including those emerging from the internet and wireless industries) has raised concerns that the existing domestic legal regime (which largely focuses on printed media) is becoming outmoded.

For more information on starting a business in Norway visit: <https://www.altinn.no/en/Start-and-Run-a-Business/>

Industrial Promotion

Not applicable.

Limits on Foreign Control

See above.

Privatization Program

Not applicable.

Screening of FDI

Investment applications, when required, are processed by the ministries concerned. For example, the Ministry of Trade, Industry and Fisheries handles applications to acquire real property in Norway when permission is required. The Finance Ministry handles cases involving financial institutions. The Ministry of Culture is responsible for media cases. Decisions are normally taken at the Ministerial level. However, in some cases with significant political implications, the minister(s) may ask the entire cabinet to make the decision.

The processing time for acquisition applications depends on several factors, but is normally from one to three months. The government may set conditions when a concession is granted, which is commonly done in cases involving more than one-third foreign ownership. Concession agreements do not permit a company to engage in business activities other than those specified. In general, the government screens investments on a case-by-case basis based on the "public interest" principle. This principle is vague and permits broad discretion.

Competition Law

Current legislation governing competition went into effect on May 1, 2004, and is enforced by the Norwegian Competition Authority (NCA). Under the authority of the Ministry of Trade, Industry and Fisheries the NCA is authorized to conduct non-criminal proceedings and impose fines, or "infringement fees," for anti-competitive behavior. The size of the fees may vary

according to a number of factors, including company turnover and severity of the offense. The 2004 legislation also empowers the NCA to halt mergers or acquisitions that threaten to significantly weaken competition. Companies planning such transactions are obliged by law to report their plans to the NCA, which may conduct a review. However, if the combined annual turnover in Norway does not exceed NOK 1 billion (USD 130 million) or the annual turnover of one of the companies NOK 100 million (USD 13 million), notification is not required.

Public Procurements

Pursuant to its obligations under the EEA, Norway implemented EU legislation on public procurements on January 1, 1994. Norway is also a signatory to the WTO Government Procurement Agreement (GPA). The EEA/EU legislation and WTO agreement oblige Norway to follow internationally recognized, transparent procedures for public procurements above certain threshold values.

All public procurement contracts exceeding certain threshold values must be published in the Official Journal of the European Union and in the EU's Tenders Electronic Daily (TED) databank. Norway instituted an electronic notice database more than a decade ago and currently transmits all tender notices electronically through this database to the TED system.

The rules apply to procurement by the central government, regional or local authorities, bodies governed by public law, or associations formed by one or more such authorities or bodies governed by public law. In addition, special rules apply to the procurement by certain entities in the "utilities" sectors of water, energy, transport, and telecommunications.

Public agencies must publish general annual plans for purchases of goods and services, as well as general information on any major building and construction projects planned. No later than two months after a contract has been awarded, a notice must be published stating which company won the contract. All notices must be published in an EU language.

Discriminatory technical specifications may not be used to tailor contracts for a local or national supplier. Any technical standards applied in the procurement process must be national standards that are harmonized with European standards. If no such standards exist, other international or national standards may be applied. All specifications that are to be used in evaluating tenders must be included in the notice or in the invitation to tender.

In general, public procurements are non-discriminatory and based on open, competitive bidding. There are exceptions, however, notably in defense procurements where national security concerns may be taken into account.

The Complaints Board, an independent review body, offers suppliers an inexpensive complaint process for bid challenges. The board can issue "non-binding opinions" and review the legality of the procurement in question. More serious disputes may be taken before the European Surveillance Authority (ESA), or the courts, but the decision making process can be lengthy.

Discriminatory/Preferential Export/Import Policies

An export promotion organization, Innovation Norway, assists export-oriented firms to market their goods and services internationally. Norway also maintains an export credit institution (Eksporkreditt Norge AS) and an export guarantee institution (GIEK).

Norway's agricultural sector is highly protected from external competition through a variety of tariffs, subsidies, and other barriers. Norway imposes high, variable tariffs on farm product imports that compete with domestic products, largely excluding them from the market.

According to the WTO, Norway's simple average applied tariff in 2013 was 51.3 percent for agricultural goods -- in comparison to less than one percent for non-agricultural products -- and can range up to several hundred percent. Agricultural export subsidies are also high.

With limited exceptions, Norway has since 1996 effectively banned the importation of agricultural biotechnology products. Harmonization with relevant EU regulations may open the Norwegian market up to these products in the future.

Investment Trends

Foreign direct investment in Norway has more than doubled over the last decade and stood at NOK 1.2 trillion / USD 200 billion at the end of 2013.

Nearly 1/3 of FDI goes to the offshore oil and gas sector (2010). The major U.S. investors offshore are: ExxonMobil, ConocoPhillips, Chevron, and Hess. Major U.S. petroleum equipment and service providers include Halliburton, Baker Hughes, FMC, General Electric, National Oilwell Varco, Weatherford, and BJ Services. The number of companies holding production/operator licenses on the Norwegian Continental Shelf currently totals 55, including other international majors like BP, Shell, ENI, and Total. In 2012, foreign and Norwegian petroleum firms invested approximately NOK 180 billion (USD 30 billion) in the offshore petroleum sector.

According to Invest in Norway, there are 5500 foreign-owned companies in Norway, with several thousand branch offices. Over 300 U.S. companies have a presence in Norway, including names such as: Cisco, Citigroup, CSC, Coca-Cola Norge, Dell, Google, IBM, Microsoft, Pepsi Cola Norge, Kraft, American Express, General Electric, Ford Motor Company, Pfizer, Merck, Eli Lilly, Abbott, Baxter, Colgate-Palmolive, DHL International, Ernst & Young, Hewlett-Packard, Ingersoll-Rand, Kellogg, 3M, Manpower, Motorola, Yahoo, and Xerox Corporation.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	5 of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	6 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	14 of 143	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD 102,610	data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Foreign Exchange

Dividends, profits, interest on loans, debentures, mortgages, and repatriation of invested capital are freely and fully remissible, subject to Central Bank reporting requirements. Ordinary payments from Norway to foreign entities can normally be made without formalities through commercial banks. Norway is a member of the Financial Action Task Force.

Remittance Policies

Not applicable.

3. Expropriation and Compensation

There have been no cases of questionable expropriation in recent memory. Government "takings" of property are generally limited to non-discriminatory land and property condemnation for public purposes (road construction, etc.). The Embassy is not aware of any cases in which compensation has not been prompt, adequate, and effective.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Norway's legal system provides effective means for enforcing property and contractual rights.

Bankruptcy

Norway has strong bankruptcy laws and is ranked 8 out of 189 for ease of "resolving insolvency" on the World Bank's 2015 Doing Business report. According to the World Bank, the average duration for bankruptcy proceedings in Norway is half that of the OECD, at just under a year.

Investment Disputes

No major investment disputes have occurred in recent years.

International Arbitration

Norway has ratified principal international agreements governing arbitration and settlement of investment disputes including the 1958 New York Convention. Norway is a member of the International Center for Settlement of Investment Disputes (ICSID).

ICSID Convention and New York Convention

Please see above.

Duration of Dispute Resolution

Information not available.

5. Performance Requirements and Investment Incentives**WTO/TRIMS**

Norway does not impose performance requirements on foreign investors, nor offer significant general tax incentives for either domestic or foreign investors. There is an exception for investments in sparsely settled northern Norway where reduced payroll taxes and other incentives apply. There are no free-trade zones, although taxes are minimal on Svalbard, a remote Arctic archipelago, which is subject to special treaty provisions. A state industry and regional development fund provides support (e.g., investment grants and financial assistance) for industrial development in areas with special employment difficulties or with low levels of economic activity.

Investment Incentives

See above.

Research and Development

Tax deductions are allowed for research costs in key industries, including the petroleum sector. Petroleum sector regulations for write-offs of exploration expenses are generous to encourage the search for new hydrocarbon resources.

Performance Requirements

See above.

Data Storage

Norway does not require "forced localization" nor impose requirements on data storage.

6. Right to Private Ownership and Establishment

Subject to the restrictions noted above, foreign and domestic entities are generally free to establish and own business enterprises and engage in all forms of legal commercial activity. Norway generally treats private and public enterprises equally in terms of market access and other business operations. Foreign investors are generally permitted to participate freely in privatizations of Norwegian state firms.

7. Protection of Property Rights

Real Property

Norway recognizes secured interests in property, both movable and real. The system for recording interests in property is recognized and reliable. Norway maintains an open and effective legal and judicial system that protects and facilitates acquisition and disposition of rights in property, including land, buildings, and mortgages.

Intellectual Property Rights

Norway adheres to key international agreements for the protection of intellectual property rights (e.g., the Paris Union Convention for the Protection of Industrial Property, the Berne Copyright Convention, the Universal Copyright Convention of 1952, and the Rome Convention). It has notified its main intellectual property laws to the World Trade Organization. Norway's intellectual property statutes cover the major areas referred to in the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement.

The chief domestic statutes governing intellectual property rights include: the Patents Act of December 15, 1967, as amended; the Designs Act of March 14, 2003; the Copyrights Act of May 12, 1961, as amended; the Layout-design Act of June 15, 1990, as amended; the Marketing Act of January 9, 2009; and the Trademarks Act of March 26, 2010. The above legislation also protects trade secrets and industrial designs, including semiconductor chip layout design. As an EEA member, Norway adopted legislation intended to implement the 2001 EU Copyright Directive, though subsequent court cases exposed shortcomings in the legislation (see below).

Patents

The patent office (Patenstyret) grants patents for a period of 20 years (Acts of June 8, 1979, and May 4, 1985). U.S. industry has expressed concerns that Norway's regulatory framework for process patents filed prior to 1992 denies adequate patent protection for a number of pharmaceutical products. Although Norway introduced product patents for pharmaceuticals in 1992, the old system has left a difficult legacy for pharmaceutical companies, as competitors claiming to use non-patented processes entered the market. Several U.S. pharmaceutical companies filed successful patent infringement lawsuits in Norwegian courts to fend off these new entrants, but others lost their court cases and were later forced to restructure their Norwegian operations with loss of employment. Norway was placed on the Special 301 Watch List in 2008 due to concerns about pharmaceutical patent protection but has not been listed since 2013.

Copyright

Internet piracy in Norway is facilitated by high broadband internet penetration, which makes peer-to-peer downloads of music and video easy and common. Groups that release early copies of new motion pictures on the internet are active in the Norwegian market, and Norway has experienced some “camcording incidents,” where motion pictures are illegally recorded in cinemas. Private organizations like the Motion Picture Association are attempting to raise public awareness of internet and video piracy, for example by running anti-pirating advertisements in movie theaters.

Norway enacted legislation based on the EU's 2001 Copyright Directive which combats internet piracy in June 2005, but subsequent court cases showed that the law did not give sufficient grounds for enforcement. The GON started a process of revision in 2011, and the amended Copyright Act entered into force in July 2013. The amended Act brings Norwegian copyright protection up to date by clarifying the process for gaining access to infringers' identities and introducing a site-blocking mechanism. Positive developments on the enforcement side are complemented by the growing popularity of legal streaming alternatives like Netflix and HBO.

Counterfeit and Pirated Goods

Norway does not expressly ban imports or exports of counterfeit or pirated goods for private use or consumption. However, import or export for resale or other commercial purpose will be controlled by Norwegian Customs and rights-holders will be notified. Customs may seize and hold suspected counterfeit goods for up to five working days, during which time rights-holders may decide whether to proceed with an injunction or other settlement. If the rights-holder does not pursue the case or respond to the notice, the goods are released to the importer (unless considered harmful). In comparison, customs officials in the EU have wider powers to seize, hold, and destroy counterfeit shipments. In 2010, Norwegian Customs established an intellectual property rights (IPR) office to coordinate training and increase awareness. In 2015, the GON launched a new website and an awareness campaign titled "Choose the Real Deal" (velgekto.no).

Enforcement

The Norwegian government does not consider itself obligated, under the European Economic Area Agreement, to implement the European Union Enforcement Directive. Rights holders report that law enforcement authorities have begun to investigate major copyright infringement cases, with the result that several internet sites facilitating infringement were closed down. However, rights holders contend that the authorities still do not give adequate priority to copyright and internet piracy cases.

Resources for Rights Holders

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Norwegian Industrial Property Office:
<http://www.patentstyret.no/en/>

A list of local lawyers is available at <http://norway.usembassy.gov/lawyers.html>.

8. Transparency of the Regulatory System

The transparency of Norway's regulatory system is generally on par with that of the EU. Norway is obliged to adopt EU directives under the terms of the EEA accord (in the areas of social policy, consumer protection, environment, company law, and statistics).

9. Efficient Capital Markets and Portfolio Investment

Norway has a highly computerized banking system that provides a full range of banking services, including internet banking. There are no significant impediments to the free market-determined flow of financial resources. Foreign banks have been permitted to establish branches in Norway since 1996.

Foreign and domestic investors have access to a wide variety of credit instruments. The financial regulatory system is transparent and consistent with international norms. The Oslo Stock Exchange facilitates portfolio investment and securities transactions in general.

Money and Banking System, Hostile Takeovers

Norwegian banks are generally considered to be on a sound financial footing, and the ten largest banks hold around USD 600 billion in assets. Conservative asset/liquidity requirements limited the exposure of banks to the global financial crisis in 2008/9.

10. Competition from State-Owned Enterprises

The government continues to play a strong role in the Norwegian economy through its ownership or control of many of the country's leading commercial firms. The public sector accounts for nearly 60 percent of GDP. The Norwegian government is the largest owner in Norway, with ownership stakes in a range of key sectors (e.g., energy, transportation, finance, and communications). About 70 State Owned Enterprises (SOEs) are managed directly by the relevant ministries, and approximately 35 percent of the stock exchange's capitalization is in government hands. State ownership in companies can be used as a means of ensuring Norwegian ownership and domicile for these firms.

Norwegian governments have sustained stable levels of strong, transparent, and predictable government ownership. The previous center-left government increased its stake in companies like Statoil ASA, Kongsberg Gruppen AS, and Yara International ASA, but also sold off other holdings. The current center-right government is in a process of reducing ownership stakes.

OECD Guidelines on Corporate Governance of SOEs

Norwegian SOEs adhere to the OECD Guidelines on Corporate Governance for SOEs.

Sovereign Wealth Funds

Norway's sovereign wealth fund, the Government Pension Fund Global (GPF), was established in 1990 and was valued at NOK 6431 billion (USD 870 billion) at year-end 2014. Petroleum revenues are invested in global stocks and bonds, and the current portfolio includes over 9100 companies and approximately 1.3 percent of global stocks. 1/3 of the fund is invested in the U.S. In 2004, Norway adopted ethical guidelines for GPF investments, which ban investment in companies engaged in various forms of weapons production, environmental degradation, tobacco production, human rights violations, and what it terms "other particularly serious violations of fundamental ethical norms." The fund currently has 60 companies on its exclusion list, 22 of which are U.S. companies.

11. Corporate Social Responsibility

CSR is very much part of Norwegian corporate and political consciousness. Significant attention has been given to ethical and sustainable business practices over the last several years, and the GON has issued a series of white papers on various aspects of CSR, most recently in 2009, and on the responsibility of Norwegian businesses in the global economy. In 2006 and 2007, the GON also set down guidelines for ethical and responsible conduct in government-owned enterprises, and incorporated climate policy, procurement policy, and development policy as parts of the GON's broader CSR vision.

OECD Guidelines for Multinational Enterprises

Norway encourages foreign and local enterprises to follow generally accepted CSR principles.

National Contact - OECD Guidelines for Multinational Enterprises
<http://mneguidelines.oecd.org/ncps/norway.htm>

12. Political Violence

Norway is a vibrant, stable democracy. Violent political protests or incidents are extremely rare, as are politically motivated attacks on foreign commercial projects or property. However, on July 22, 2011, a Norwegian individual motivated by extreme anti-Islam ideology carried out twin attacks on Oslo's government district and on the Labor Party's youth summer camp in Utoeya, killing 77 people. The individual operated alone, he is now in prison, and this incident is not generally considered an indicator of increased political violence in the future.

13. Corruption

Business is generally conducted "above the table" in Norway, and Norway ranks 5 out of 175 countries on Transparency International's Corruption Perceptions Index for 2014. Corrupt activity by Norwegian or foreign officials is a criminal offense under Norway's Penal Code. Norway's anti-corruption laws cover illicit activities overseas, subjecting Norwegian nationals/companies who bribe officials in foreign countries to criminal penalties in Norwegian courts. In 2008, the Ministry of Foreign Affairs launched an anti-corruption initiative, focused on limiting corruption in international development efforts.

Norway is a member of the Council of Europe's anti-corruption watchdog Group of States against Corruption (GRECO) and ratified the Criminal Law Convention on Corruption in 2004, without any reservations.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Norway has ratified the UN Anticorruption Convention (2006), and is signatory of the OECD Convention on Combating Bribery.

Resources to Report Corruption

See contact details in Section 19.

14. Bilateral Investment Agreements

Norway has concluded investment protection agreements with numerous countries. These agreements contain provisions for repatriation of capital, dispute settlement, and standards for expropriation and nationalization by the host country.

Norway and other members of the European Free Trade Association (EFTA) -- Iceland, Liechtenstein and Switzerland -- have 25 joint free trade agreements covering 35 countries: Albania, Bosnia and Herzegovina, Canada, Central American States (Costa Rica and Panama), Chile, Colombia, Egypt, Gulf Cooperation Council (GCC), Hong Kong, Israel, Jordan, Lebanon, Macedonia, Mexico, Montenegro, Morocco, the Palestinian Authority, Peru, Serbia, Singapore, Southern African Customs Union, The Republic of Korea, Tunisia, Turkey, and Ukraine. The agreements cover trade in goods and services, services and investment, dispute settlement, and other issues generally found in bilateral investment accords.

Bilateral Taxation Treaties

Norway signed a bilateral taxation treaty with the United States in 1971. More information is available at <http://www.irs.gov/Businesses/International-Businesses/Norway---Tax-Treaty-Documents>.

15. OPIC and Other Investment Insurance Programs

OPIC does not currently operate in Norway.

The Norwegian Guarantee Institute for Export Credits (GIEK) is the central governmental agency responsible for issuing export credits and investment guarantees. GIEK operates under the authority of the Norwegian Ministry of Trade, Industry and Fisheries, which contains a section that oversees export and investment guarantees and domestic industry financing.

GIEK's primary function is to promote export of Norwegian goods and services, and Norwegian investment abroad. It underwrites exports to over 150 countries of all types of goods and services. The guarantees may encompass a single transaction or a series of transactions and cover not only commercial risk, i.e., bankruptcy on the part of the debtor or non-payment for other

reasons, but also political risk, i.e., war, expropriation and actions by the public authorities that prevent payment.

GIEK offers long term guarantees for export of capital goods to most countries, including emerging markets. The guarantees are issued on behalf of the Norwegian government and can be used as security vis-à-vis banks and other financial institutions to facilitate funding. The Director General and a Board of seven directors are responsible for day-to-day operations.

GIEK guarantees the down payment on a loan raised by the buyer for financing deliveries from a Norwegian exporter.

GIEK is a member of the Berne Union. Norway is a member of the Multilateral Investment Guarantee Agency (MIGA).

16. Labor

Skilled and semi-skilled labor is usually available in Norway, though strong economic growth in recent years has caused shortages in certain professions (e.g., nurses) and in unskilled labor (construction workers, processing industry). The labor force as of year-end 2014 totaled about 2.65 million persons, representing 71.4 percent of the working-age population. Unemployment stood at 3.9 percent. Unemployment has been low and stable (between 2.3-4.7 percent since 2003) and is expected to remain low in 2015.

For the last few years, financial services and other business activities have shown the strongest employment growth. Other recent growth sectors include legal, accounting, and auditing services, business and management consultancy, as well as temporary staffing agencies. Union membership is in excess of 1.5 million persons, over 50 percent of the labor force. Labor benefits are generous, e.g., one year's paid maternity leave (financed chiefly by the government).

The average number of hours worked per week in one's primary job, 33.9 in 2011, is the third lowest in the OECD, after the Netherlands and Denmark. Productivity, however, is high – significantly higher than the EU average. Sickiness and absenteeism rates have been between 6-8 percent over the last decade, and stood at 6.4 percent at the end of 2014. Relatively high disability rates, especially among young people, are a concern.

Norwegian blue-collar hourly earnings are comparatively high. High wages encourage the use of relatively capital-intensive technologies in Norwegian industry. Top-level executives and highly skilled engineers, on the other hand, are generally paid considerably less than their U.S. counterparts, which, when combined with relatively high wages at the bottom of the wage scale, contributes to Norway's very high income equality.

Obtaining work permits for foreign labor, particularly for semi-skilled workers, can be cumbersome. Norway has witnessed a strong influx of foreign workers as demand for labor has outstripped supply in some sectors, e.g., construction.

Norway has a highly centralized and constructive system of collective bargaining. The government may impose mandatory wage mediation should strikes threaten key sectors in the

economy, particularly the oil and gas and transportation sectors. The government stepped in during 2006 to prevent a threatened strike in the banking sector. Mandatory wage mediation was used in 2010 to end strikes in the health sector and in the offshore sector in 2012.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

Norway has no foreign trade zones and does not contemplate establishing any.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$B USD)	2013	495	2013	512.6	www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	2013	15,594	2013	44,289	http://bea.gov/international/factsheet/factsheet.cfm?Area=320
Host country's FDI in the United States (\$M USD, stock positions)	2013	25,677	2013	26,075	http://bea.gov/international/factsheet/factsheet.cfm?Area=320
Total inbound stock of FDI as % host GDP	2013	5.2%	2013	2.1%	

*Host country statistical source: Statistics Norway

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	183,226	100%	Total Outward	223,841	100%
Netherlands	16,934	9%	Sweden	33,508	15%
United States	16,296	9%	Netherlands	23,193	10%
Sweden	13,678	7%	Belgium	21,180	9%
United Kingdom	13,223	7%	Germany	19,370	9%
Denmark	8,532	5%	Singapore	13,616	6%

"0" reflects amounts rounded to +/- USD 500,000.
Source: IMF Coordinated Direct Investment Survey

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
		100%			100%			100%
United States	897,022	25%	United States	128,679	26%	United States	91,114	23%
United Kingdom	219,794	12%	United Kingdom	67,552	13%	Germany	41,284	10%
Germany	71,284	8%	France	30,015	6%	United Kingdom	35,663	9%
France	58,663	7%	Germany	30,000	6%	France	28,648	7%
Japan	43,089	5%	Switzerland	27,639	6%	Sweden	19,991	5%

Source: IMF Coordinated Portfolio Investment Survey

19. Contact for More Information

- Simon Johannsson
- Senior Economic Specialist
- U.S. Embassy Oslo, Henrik Ibsens gate 48, 0244 Oslo, Norway
- +47 21308665
- JohannssonSK@state.gov

Information in this report was obtained from various sources, including the Ministries of Finance, Trade, Industry and Fisheries, Labor, and Foreign Affairs, as well as the Norwegian Central Bureau of Statistics and the Central Bank of Norway.

Web Resources:

Norwegian Ministry of Finance
<http://www.regjeringen.no/en/dep/fin>

Norwegian Ministry of Trade, Industry and Fisheries
<http://www.regjeringen.no/en/dep/nfd>

Norwegian Ministry of Labor and Social Affairs
<http://www.regjeringen.no/en/dep/asd>

Norwegian Ministry of Foreign Affairs
<http://www.regjeringen.no/en/dep/ud>

Statistics Norway
<http://www.ssb.no/english/>

Central Bank of Norway
<http://www.norges-bank.no/en/>