

SPRING 2008 ECONOMIC OUTLOOK FOR NORWAY: ANSWERS FROM NHO

MAIN FORECAST

	2007	2008	2009
Real GDP growth	6.0	3.0	1.4
Consumer price inflation	0.7	3.0	2.0
Unemployment rate	2.5	2.3	2.7
Employment growth	3.8	2.0	1.5

Components of aggregate demand

Annual % change	2007	2008	2009
Private consumption	6.4	3.0	2.0
Public consumption	3.2	3.5	3.0
Investment (Gross fixed capital formation)	9.6	4.0	2.5
Exports	9.0	3.0	1.5
Imports	8.6	4.8	2.5

ECONOMIC SENTIMENT

Trend in business climate over the next 6 months	Positive	Negative Industry	Unchanged Services		
Trend in profitability over the next 6 months	Positive	Negative Industry	Unchanged Services		
Investment intentions over the next 6 months	Increase (faster pace)	Increase (slower pace) Industry Services	Unchanged	Decrease (slower pace)	Decrease (faster pace)
Driving force behind investment decisions in the next 6 months	Replacement Same	Extension Down	Rationalisation Same	Innovation Same	
Trend in consumer confidence over the next 6 months	Positive	Negative	Unchanged yes		
Overall trend in employment	Industry: past 6 months Up	Industry: next 6 months Same	Services: past 6 months Up	Services: next 6 months Up	
Over the next 6 months, cost/access to finance will be...	Higher / more difficult Cost Access	Same	Lower / less difficult		
Financial market turmoil has affected companies' investment decisions negatively ...	to a large extent	to some extent	to a limited extent	not at all	

EXCHANGE RATE DEVELOPMENTS

	NOK per USD
Where will the NOK/USD stand in October 2008 ?	5.10

POLICY MIX

	Not necessary, situation is satisfactory	Excellent	Satisfactory	Neither satisfactory nor unsatisfactory	Unsatisfactory	Deteriorating
Progress towards medium-term budgetary objective is...				yes		
Monetary policy is...	Tight yes	Appropriate	Loose			
	Adequate	Inadequate				
Consistency between fiscal and monetary policies		yes				