

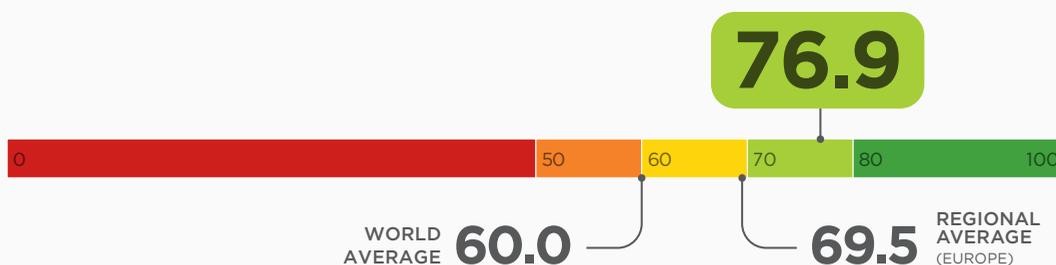
# NORWAY

Norway's economic freedom score is 76.9, making its economy the 14th freest in the 2022 *Index*. Norway is ranked 10th among 45 countries in the Europe region, and its overall score is above the regional and world averages.

Norway's economy slowed from 2017 through 2019 before growth turned negative in 2020. The economy recovered in 2021. During the same five-year period, economic freedom remained steady and robust. Boosted by increased scores for rule of law, Norway has recorded a 2.9-point overall gain of economic freedom since 2017 and has risen to the top half of the "Mostly Free" category. Fiscal health is very strong, but the economy remains heavily burdened by excessive **government spending**.

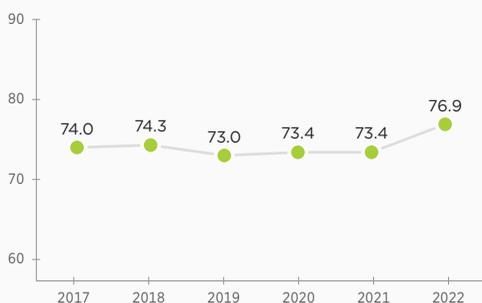
**IMPACT OF COVID-19:** As of December 1, 2021, 1,092 deaths had been attributed to the pandemic in Norway, and the government's response to the crisis ranked 154th among the countries included in this *Index* in terms of its stringency. The economy contracted by 0.8 percent in 2020.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +11.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.4 million

**GDP (PPP):**  
\$354.6 billion  
-0.8% growth  
in 2020  
5-year compound  
annual growth 0.9%  
\$65,800 per capita

**UNEMPLOYMENT:**  
4.6%

**INFLATION (CPI):**  
1.3%

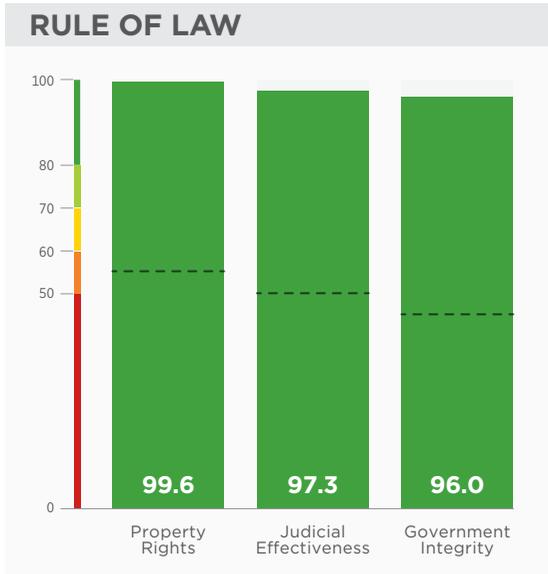
**FDI INFLOW:**  
-\$2,394.0 million

**PUBLIC DEBT:**  
41.4% of GDP

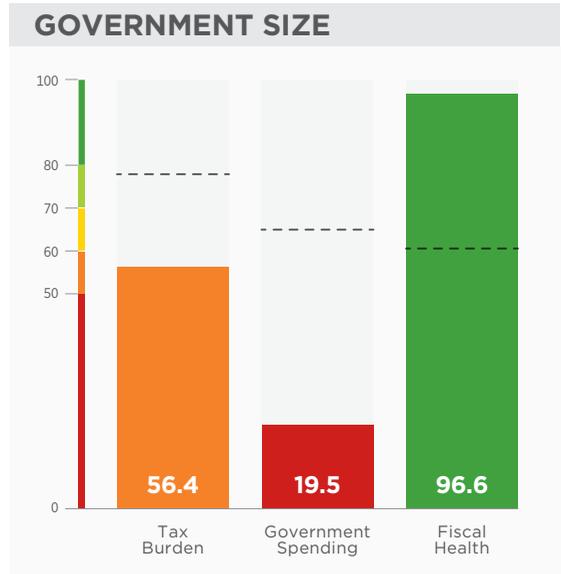
2020 data unless otherwise noted. Data compiled as of September 2021

**BACKGROUND:** Norway abandoned its traditional neutrality and became a charter member of NATO in 1949. It also joined the European Free Trade Association. A minority center-left coalition led by Prime Minister Jonas Gahr Støre of the Labor Party with the agrarian Center Party took office in October 2021. The former center-right minority government was weakened by a dispute over the repatriation of ISIS members. Norway is one of the world's most prosperous countries, and the production of oil and gas accounts for 20 percent of its economy. Other important sectors include hydropower, fish, forests, and minerals. State revenues from petroleum are deposited in the world's largest sovereign wealth fund. Unemployment is typically low, but the aging of the population presents challenges.

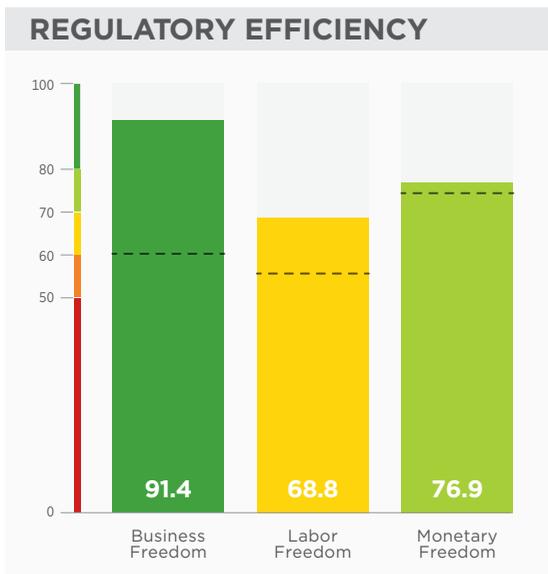
# 12 ECONOMIC FREEDOMS | NORWAY



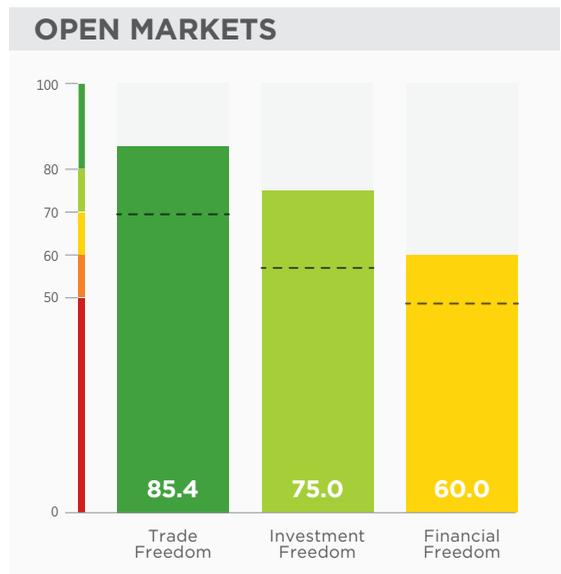
Private property rights are secure. The system for recording interests in property is recognized and reliable. Contracts are enforced. The judiciary is independent, and the legal system is robust and trusted. Norway is one of the world's least corrupt countries according to Transparency International's 2020 *Corruption Perceptions Index*. Well-established anticorruption measures reinforce a cultural emphasis on government integrity.



The top individual income tax rate is 47.8 percent, and the top corporate tax rate is 22 percent. Other taxes include value-added and environmental taxes. The overall tax burden equals 39.9 percent of total domestic income. Government spending has amounted to 51.8 percent of total output (GDP) over the past three years, and budget surpluses have averaged 1.8 percent of GDP. Public debt is equivalent to 41.4 percent of GDP.



A vibrant private sector coexists with a large state sector. Norway is the world's second most prolific exporter of seafood. Petroleum accounts for 37 percent of exports. Growth in employment has been successfully detached from world energy prices. The government funds Europe's most generous subsidies for electric vehicles: more than \$2.3 billion.



Norway has 31 preferential trade agreements in force. The trade-weighted average tariff rate is 2.3 percent, and 236 nontariff measures are in effect. The economy benefits from overall openness to foreign investment, although there are national ownership restrictions in certain sectors. The financial sector is competitive and open. The state retains ownership of the largest financial institution.