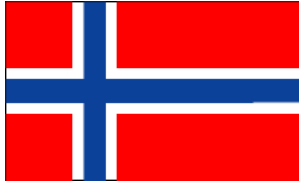


COUNTRY PROFILE



Norway

GLOBAL RANK: 14th= of 104



Norway achieves the top rank in Comparative Liveability, scoring consistently high marks across all the indicators. However, the country scores only 26th place in Economic Competitiveness, due to an exceptionally low business ownership rate, signalling low levels of entrepreneurship. This places Norway in 14th place overall, tied with Canada, France, the UK and Belgium.

● BACKGROUND

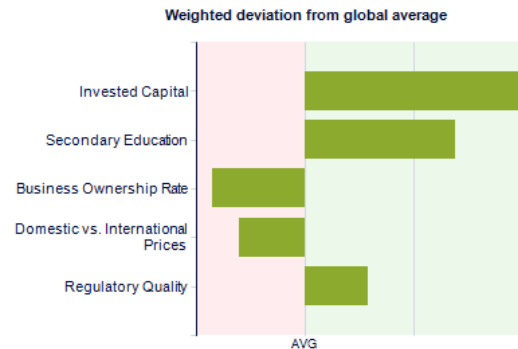
Norway is a northern European constitutional monarchy of about 4.6 million people that enjoys one of the highest standards of living in the world. Its economy is characterised by a high level of state intervention and rich natural resources, including oil and gas reserves, fish, forests, and hydropower. Soaring commodity prices have led to a record budgetary surplus, which is mostly invested by the government for future generations. Record levels of immigration have recently put strain on Norway's social cohesiveness. However, it remains a peaceful and liberal society, with a low crime rate and generous welfare programmes.

FAST FACTS

Population:	4.6 million (2008 est.)	FDI (net inflow):	2.96% (2006 est.)
Life Today	7.4 (2006 est.)	Exports	35.87% (2006 est.)
GDP (PPP)	\$247.4 billion (2007 est.)	Imports	18.87% (2006 est.)
GDP (Growth)	3.5% (2007 est.)	Unemployment:	2.5% (2007 est.)
GDP (per Capita)	\$53,000 (2007 est.)	Life Expectancy	79.81 years (2008 est.)
Political System:	Constitutional Monarchy		
Foreign Aid:	No data		

● KEY SCORE DRIVERS

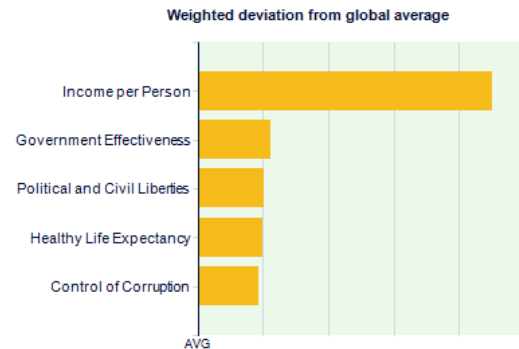
ECONOMIC COMPETITIVENESS



Norway scores well on the majority of economic performance indicators. It has a welfare capitalist model similar to its Scandinavian neighbours, balancing liberal market conditions alongside government intervention. Norway is the third largest oil exporter in the world after Russia and Saudi Arabia, and public coffers are currently seeing the benefits of record oil prices. Norway is also a large net producer of natural gas, which, as with the oil industry, is controlled by the government. (However, at Norway's high per capital income levels, and given the country's strong political and economic institutions, dependence on these types of exports is unlikely to lead to the problems faced by poorer countries).

Norway enjoys a superb reputation for governance, with its scores for

COMPARATIVE LIVEABILITY



The quality of life in Norway is unrivalled. Annual income levels of over US\$37,700 stand alongside the United States as the highest in the world. Unemployment levels are also among the lowest in Europe.

However, these are not the only factors driving Norway's high Comparative Liveability rank. Health-adjusted life expectancy is among the highest in the world, with the average Norwegian living until around 79 years old. Careful management of the environment enables Norway's citizens to enjoy their naturally abundant surroundings fully. The only complaint registered in the Index is the severe cold in winter, but this has few implications at this level of income.

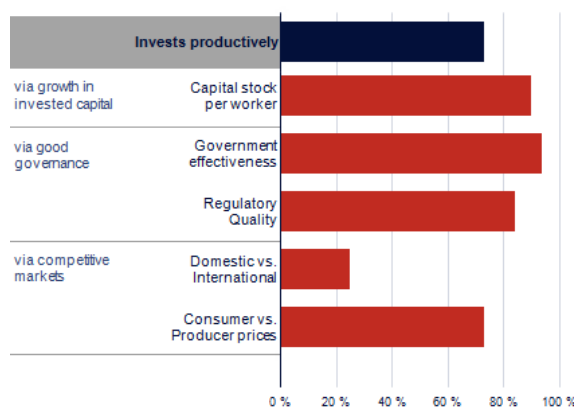
regulatory quality and government effectiveness among the highest in the world. Its restrained, long-term approach to economic planning is evident from the Government Petroleum Fund, a reserve of over \$250 billion derived from oil- and gas-related budget surpluses. Other natural resource-based industries such as hydropower and fisheries add to Norway's positive trade balance.

Norway's excellent mass education system produces workers with on average 4.88 years of secondary education, and high levels of capital investment bode well for future growth in material wealth. Going forward, movements in relative price levels suggest weaknesses in levels of competitiveness, a possible challenge for the Norwegian economy. Exceptionally low business ownership rates, when compared to the Eurozone, also suggest low levels of internal competition and entrepreneurship.

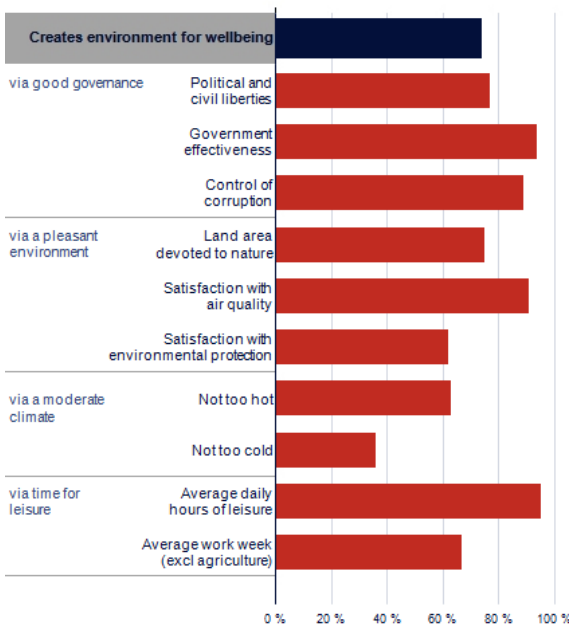
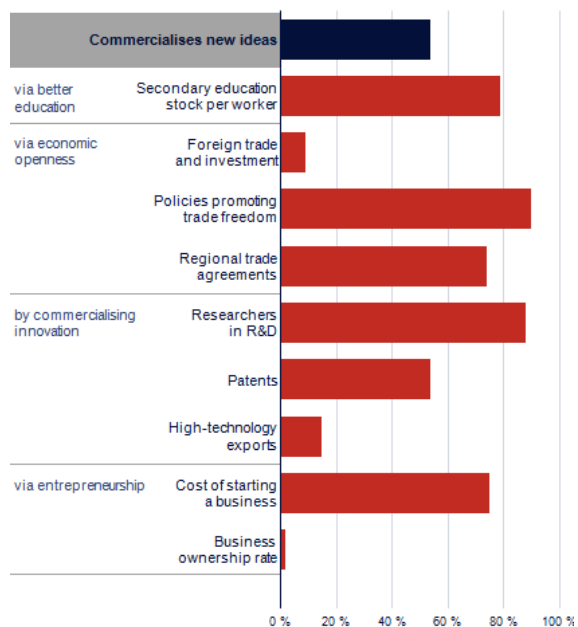
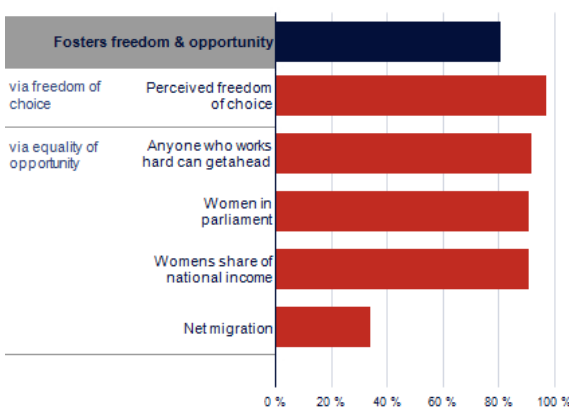
Norway has created a world-class model of modern, effective government. Transparency, control of corruption and the protection of civil liberties all score exceptionally highly. In terms of equality of opportunity, Norway tops the Index, and women's political representation and personal income are particular strengths.

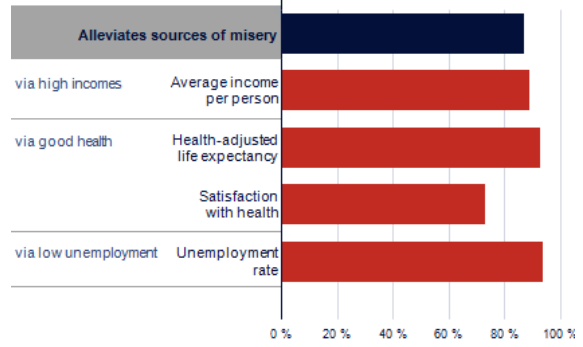
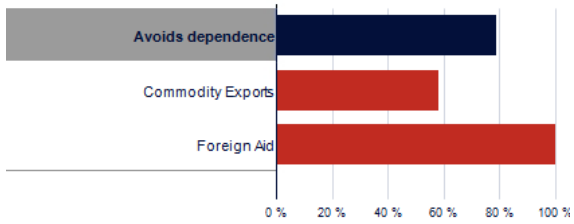
Norway's stellar performance continues into community and family life. Levels of social trust are on par with Sweden and Denmark as the world's highest. High divorce rates are the only major concern highlighted in the Index. Religion follows the same trend as other European countries, with strong protections on religious freedoms but low rates of personal religious affiliation.

ECONOMIC COMPETITIVENESS: SCORECARD

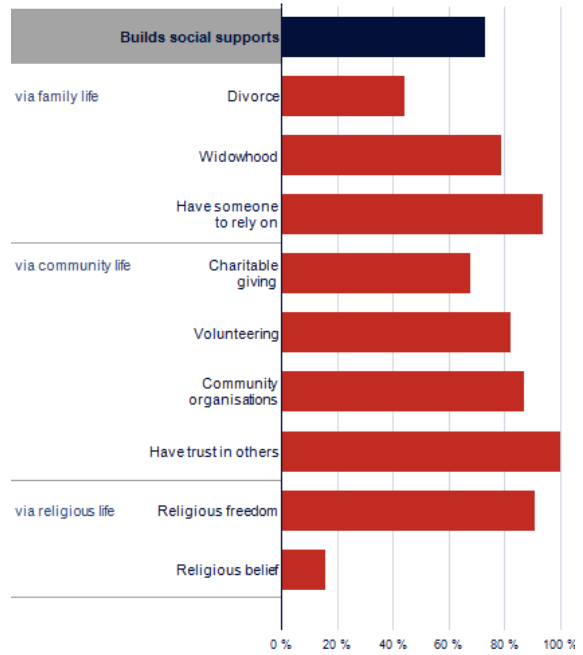


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.