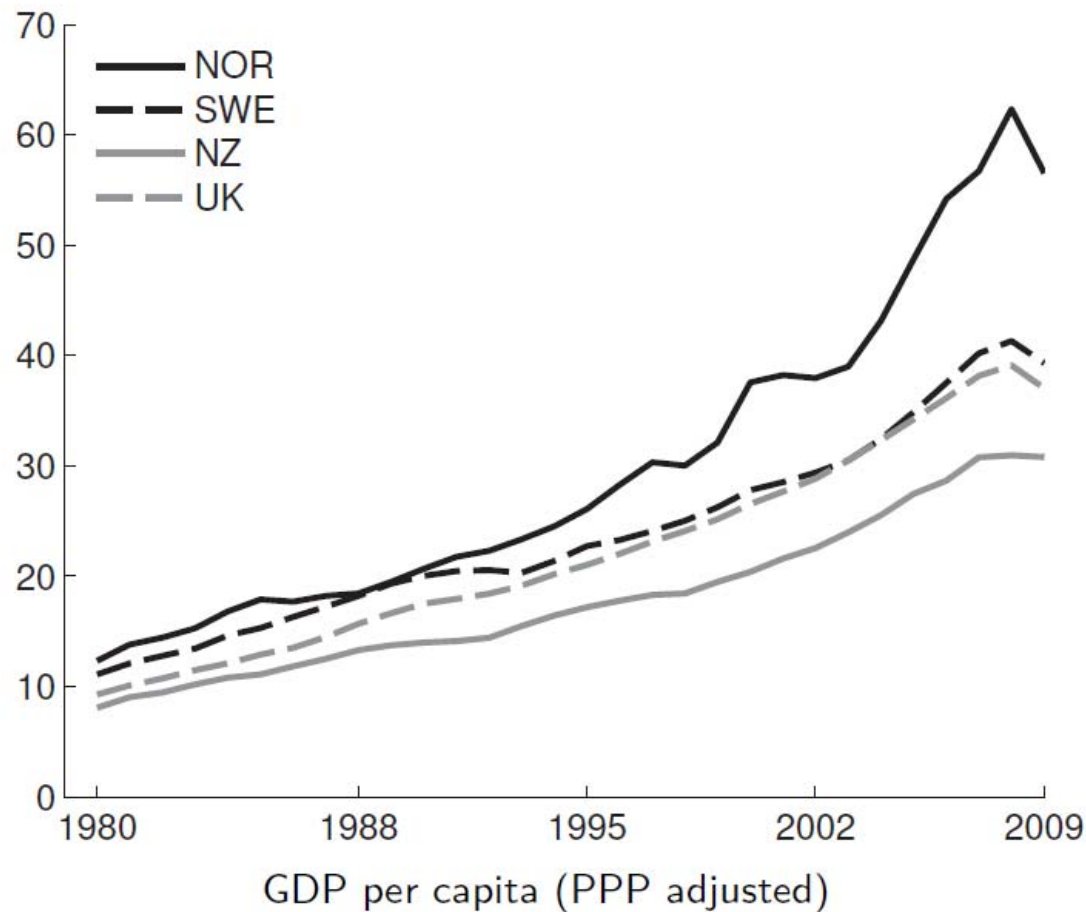


# Roundtable: Macroeconomic Challenges for Resource-rich Open Economies

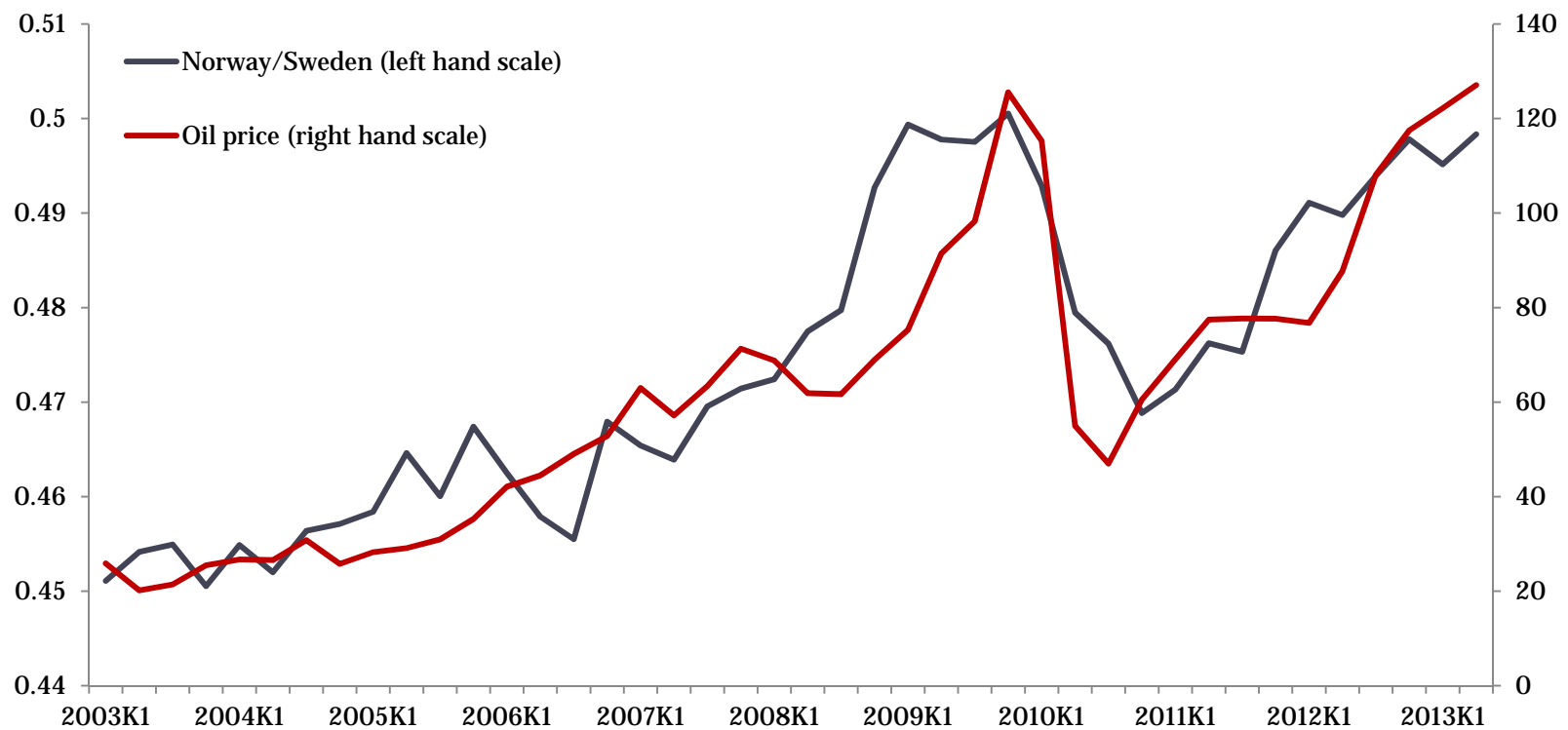
**International Economic Forum of the Americas,  
Montreal, June 9, 2015**

**Hilde C. Bjørnland**

# The Economist: Norway - The rich cousin in the North

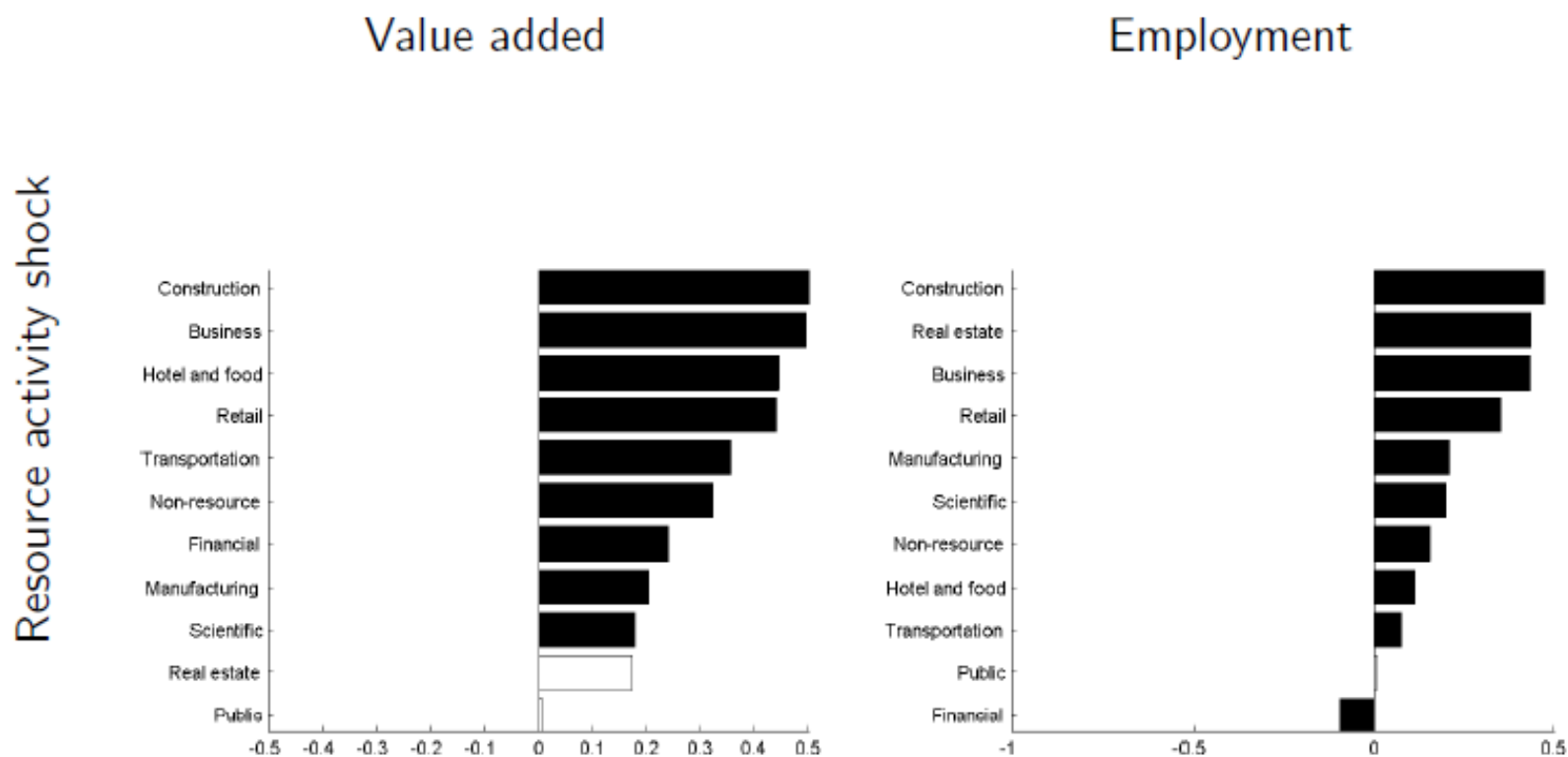


# Oil price and the Norwegian (non-resource) economy relative to Sweden



Source: SSB, SCB and Hilde C. Bjørnland

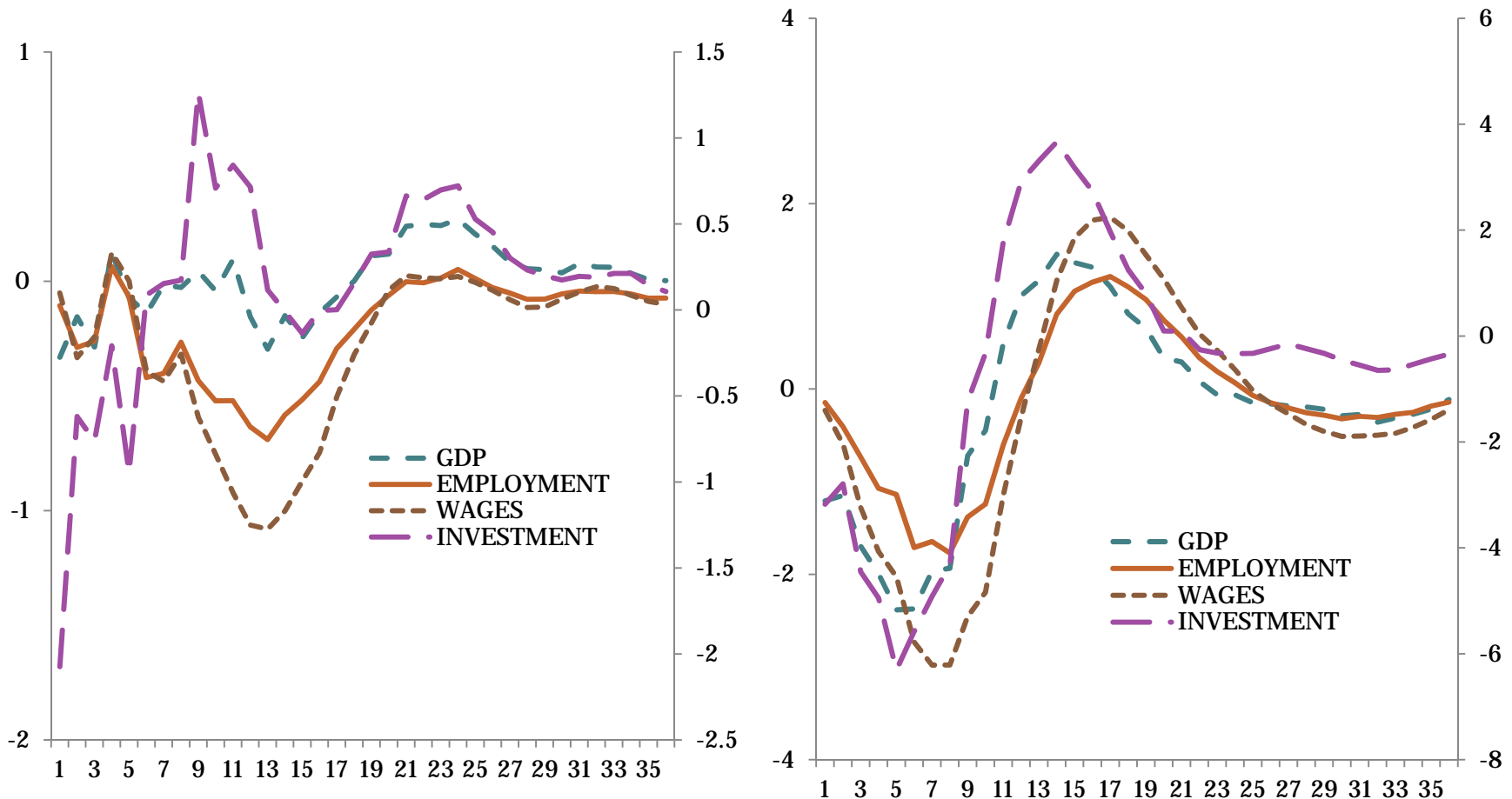
# Large spillovers to other industries: Average effect of a 1% increase in activity in the petroleum sector, percent



Source: Bjørnland and Thorsrud (2015)

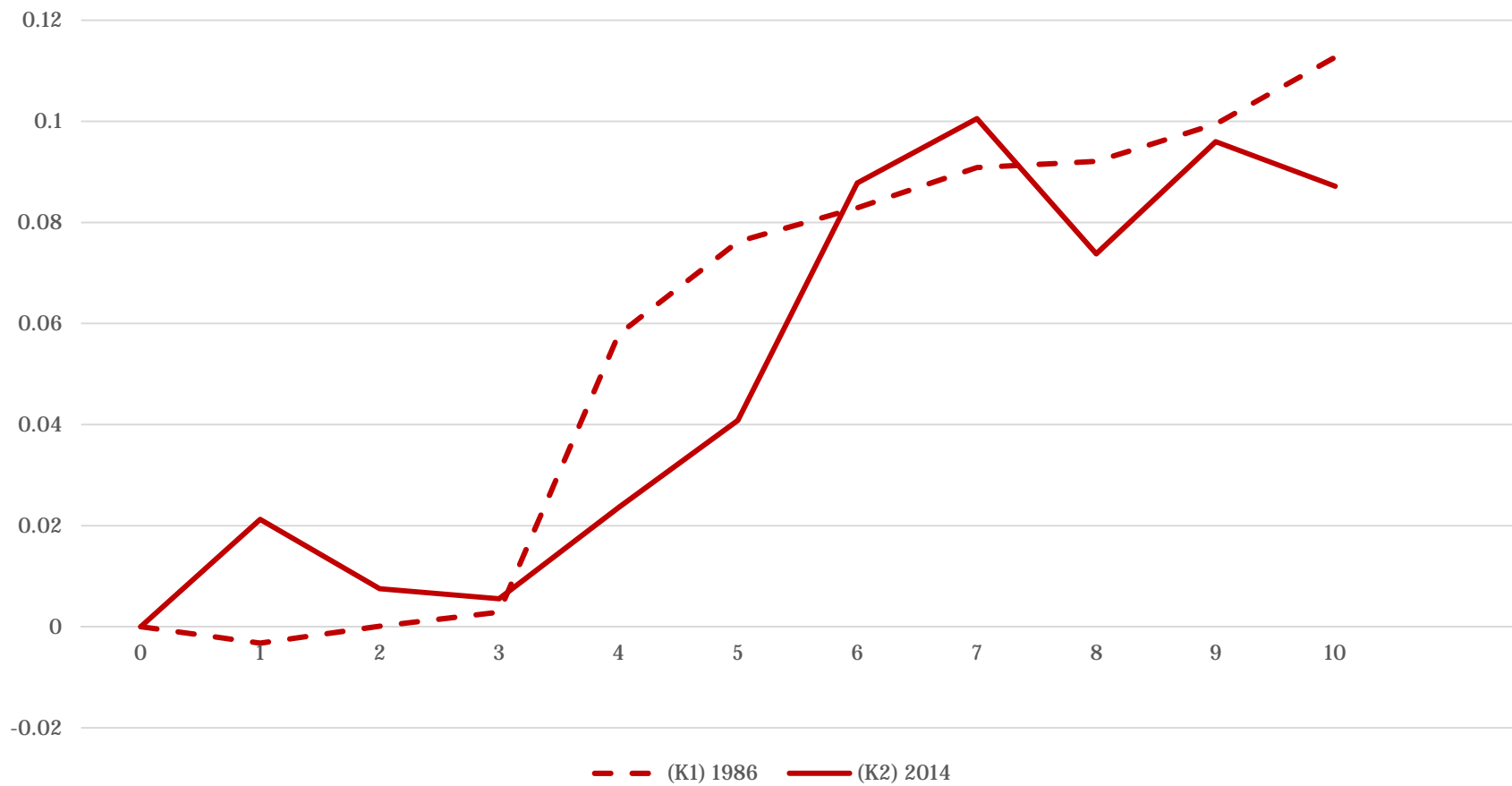
**Oil prices are falling!** Effect of a oil price 'supply' shock (left) versus global 'demand' shock (right) that reduces oil prices by 25%

*NB: Investment is plotted against the right hand scale*

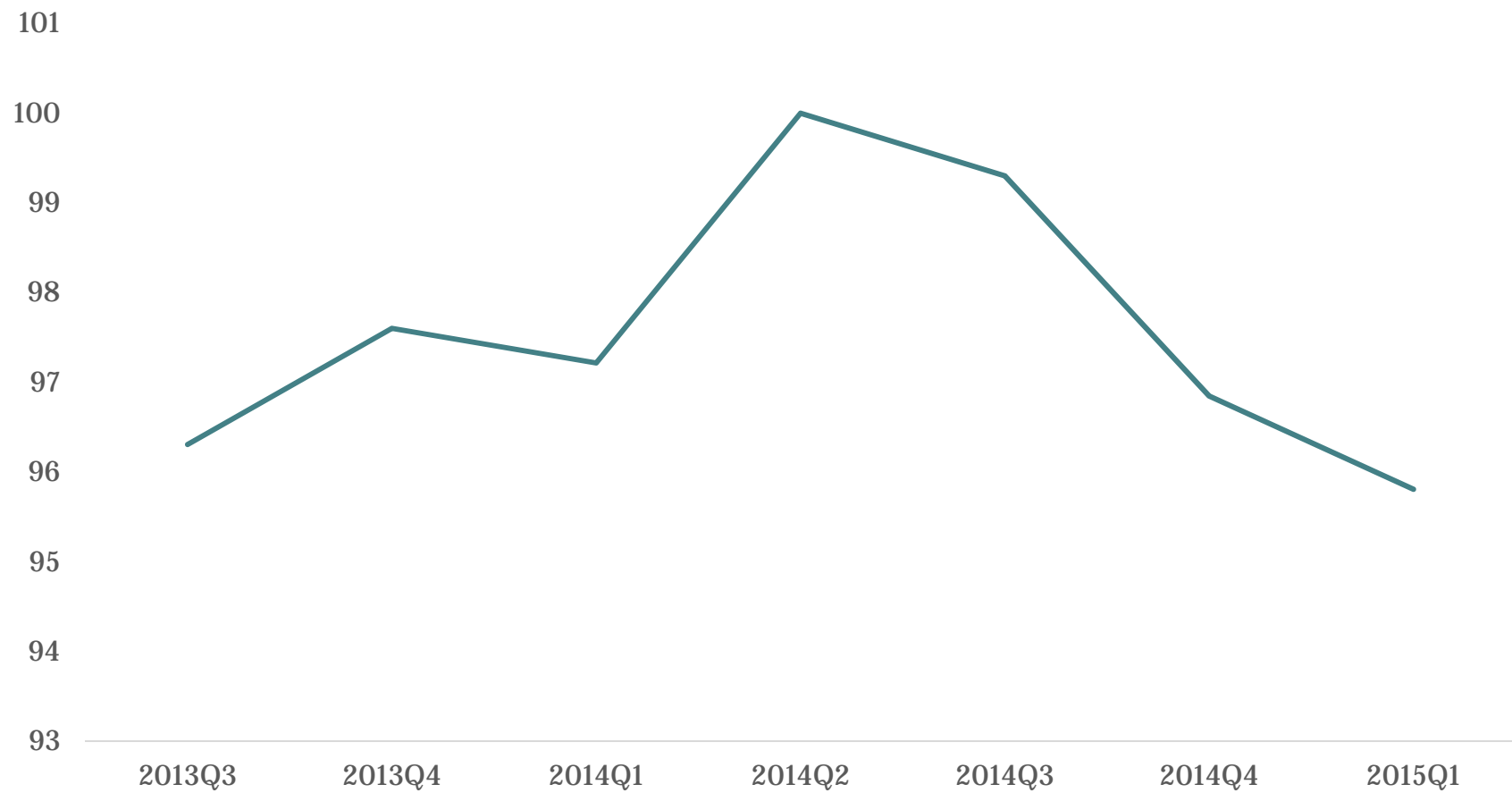


Source: Bjørnland og Thorsrud (2014)

# Exchange rate depreciaton 1986 versus 2014



## Investment in the mainland sector peaked in 2014Q2



Source: SSB og Bjørnland

# Dilemma in monetary policy: Credit and housing boom

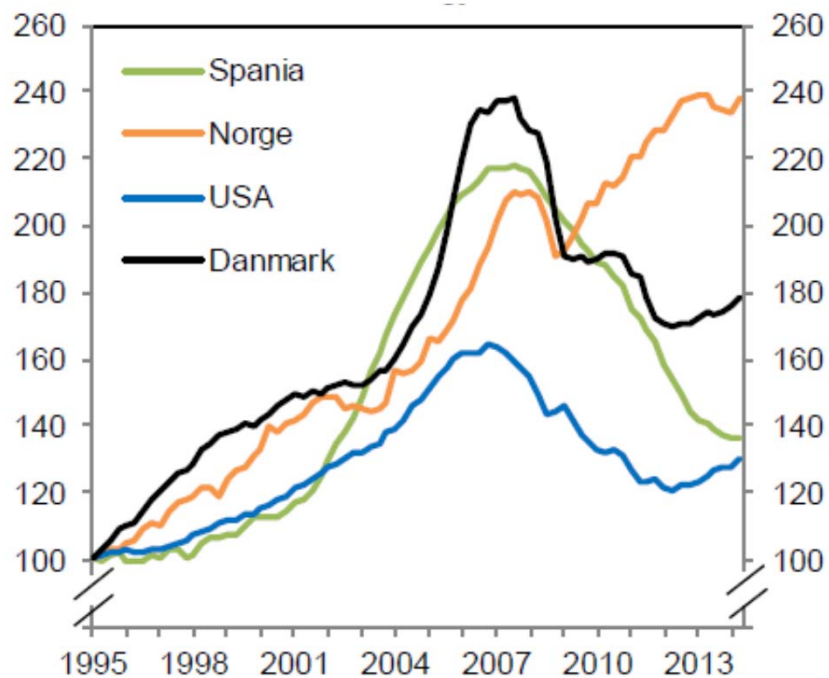
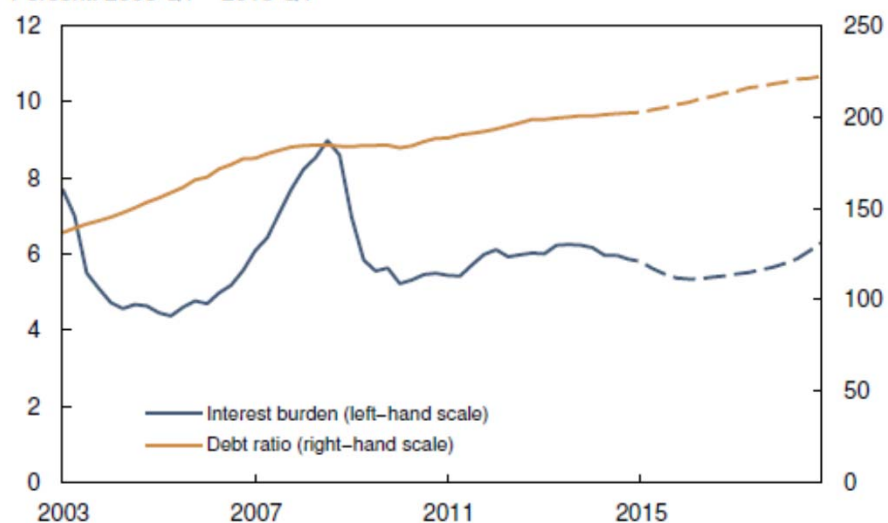


Chart 2.14 Household debt ratio<sup>1)</sup> and interest burden.<sup>2)</sup>  
Percent. 2003 Q1 – 2018 Q4<sup>3)</sup>



Source: Norges Bank