



**-Norway-**  
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## GENERAL FEATURES OF TRADE POLICY

The Norwegian economy is a prosperous bastion of welfare capitalism, featuring a combination of free market activity and government intervention. The government controls key areas, such as the vital petroleum sector (through large-scale state enterprises). The country is richly endowed with natural resources - petroleum, hydropower, fish, forests, and minerals - and is highly dependent on its oil production and international oil prices; in 1999, oil and gas accounted for 35% of exports. Only Saudi Arabia exports more oil than Norway. Oslo opted to stay out of the EU during a referendum in November 1994. GDP growth reached 2.7% in 2000 and fell down to 0.9% in 2001. Despite their high per capita income and generous welfare benefits, Norwegians worry about that time in the next two decades when the oil and gas begin to run out.

Norway is a member of the European Free Trade Association (EFTA), which also includes Switzerland, Iceland, and Liechtenstein. Norway, along with Iceland and Liechtenstein, has structured its relations with the European Union (EU) in the form of the Agreement on the European Economic Area (EEA), through which the three countries participate in the EU Single Market. As a member of the EEA, Norway has assumed most of the rights and obligations of the EU and grants preferential tariff rates to EEA members. However, Norway is not a member of the EU and so has limited ability to influence EU decisions.

#### Trade data

- In 2003, Norway's inflation rate was 1.3% and the increase in the real GDP was 1.6%.

- The Current Account Surplus was 13.4% of the GDP in 2003.

*The following table is an overview of the trade flow between the European Union and Norway*

Section	Year	Import(Euro)	Export(Euro)
<b>Animals &amp; animal products</b>	1996	1,444,113,360	73,605,950
	1997	1,569,480,320	73,928,650
	1998	1,815,772,860	71,271,170
	1999	1,878,088,850	71,610,780
	2000	2,013,764,210	85,849,270
	2001	1,839,669,510	100,428,800
	2002	1,817,935,990	115,403,730
	2003	1,729,017,980	116,262,550
<b>Vegetable products</b>	1996	5,954,260	270,307,450
	1997	5,640,690	296,022,330
	1998	6,493,860	289,389,500
	1999	8,234,930	308,108,230

	2000	13,027,620	346,539,770
	2001	25,166,900	394,820,470
	2002	24,784,730	432,905,520
	2003	22,577,920	451,574,050
<b>Animal or vegetable fats</b>	1996	35,418,160	29,783,270
	1997	34,189,810	44,196,600
	1998	39,096,010	68,140,350
	1999	31,156,290	34,220,070
	2000	29,733,370	34,480,300
	2001	36,172,670	44,543,400
	2002	39,149,910	61,217,670
	2003	34,908,320	59,903,990
<b>Prepared foodstuffs</b>	1996	297,894,270	587,823,250
	1997	320,095,360	631,540,900
	1998	383,332,500	675,238,720
	1999	353,422,430	734,361,640
	2000	337,866,700	772,351,770
	2001	325,875,960	804,068,660
	2002	371,945,090	902,849,560
	2003	280,146,280	934,513,200
<b>Mineral products</b>	1996	13,989,679,060	796,774,450
	1997	17,954,972,940	950,562,390
	1998	11,643,624,790	769,753,710
	1999	13,216,926,990	936,114,320
	2000	26,405,907,700	1,195,947,400
	2001	24,591,128,430	1,265,078,960
	2002	24,610,564,230	1,003,747,600
	2003	25,768,709,220	1,154,283,570
<b>Chemical products</b>	1996	1,038,273,350	1,502,128,430
	1997	1,242,060,600	1,724,386,230
	1998	1,316,214,710	1,900,349,990
	1999	1,430,679,230	1,906,983,850
	2000	1,667,122,450	2,172,280,900
	2001	1,798,188,560	2,277,592,430
	2002	1,777,987,430	2,416,967,610
	2003	1,832,242,890	2,458,999,830
<b>Plastics &amp; rubber</b>	1996	622,770,700	961,762,970
	1997	670,565,810	1,071,905,450
	1998	667,853,120	1,080,790,450
	1999	638,977,430	1,075,026,300
	2000	742,690,750	1,177,954,740
	2001	713,697,710	1,211,890,620
	2002	678,729,560	1,250,825,830
	2003	688,847,580	1,253,606,910
<b>Hides &amp; skins</b>	1996	89,331,680	71,973,370
	1997	115,275,530	79,621,690
	1998	108,917,330	75,243,300
	1999	70,309,000	63,584,340
	2000	86,095,270	85,431,260
	2001	91,361,700	101,392,460
	2002	87,640,310	102,270,190
	2003	71,482,560	87,393,440
<b>Wood &amp; wood products</b>	1996	290,535,280	465,556,260
	1997	308,064,600	530,347,150
	1998	297,097,820	544,046,060
	1999	340,273,690	517,297,560
	2000	346,378,870	592,966,760
	2001	298,666,770	588,760,500
	2002	312,996,470	619,029,540
	2003	281,962,230	609,914,790
	1996	1,252,576,480	960,827,770

<b>Wood pulp products</b>	1997	1,178,761,300	995,302,160
	1998	1,271,203,270	996,018,210
	1999	1,270,771,120	1,055,985,100
	2000	1,429,700,870	1,166,454,630
	2001	1,438,561,990	1,057,402,690
	2002	1,247,274,650	1,065,319,300
	2003	1,088,329,430	1,057,728,940
<b>Textiles &amp; textile articles</b>	1996	132,420,630	945,570,740
	1997	138,139,300	1,007,310,180
	1998	134,643,400	1,039,908,260
	1999	125,363,900	1,000,782,410
	2000	120,469,920	1,015,707,140
	2001	121,466,890	998,105,980
	2002	122,246,920	1,029,990,770
2003	107,046,720	954,103,170	
<b>Footwear, headgear</b>	1996	11,069,170	175,689,710
	1997	10,515,610	184,952,990
	1998	7,738,970	196,259,020
	1999	7,292,590	187,266,740
	2000	9,032,610	189,130,350
	2001	8,784,070	174,553,650
	2002	7,935,300	204,480,650
2003	6,950,470	196,973,110	
<b>Articles of stone, plaster, cement, asbestos</b>	1996	120,193,730	288,787,150
	1997	121,238,660	334,085,480
	1998	116,181,570	365,489,650
	1999	124,170,970	358,276,980
	2000	136,520,800	386,121,590
	2001	150,326,840	399,520,380
	2002	152,889,080	427,354,800
2003	133,332,480	446,966,520	
<b>Pearls, (semi-)precious stones, metals</b>	1996	61,694,780	82,181,240
	1997	56,267,820	87,246,650
	1998	59,335,910	85,162,950
	1999	61,372,760	92,454,110
	2000	104,806,340	107,903,020
	2001	109,653,100	106,536,770
	2002	78,419,890	99,017,230
2003	87,259,990	88,223,900	
<b>Base metals &amp; articles thereof</b>	1996	2,969,747,760	2,059,806,840
	1997	3,434,922,220	2,340,256,190
	1998	3,569,952,860	2,592,840,240
	1999	3,732,964,710	2,091,017,230
	2000	4,338,683,000	2,050,291,150
	2001	4,171,767,970	2,113,189,030
	2002	3,878,290,810	2,280,235,840
2003	3,921,644,840	2,100,766,410	
<b>Machinery &amp; mechanical appliances</b>	1996	1,682,887,890	4,758,995,900
	1997	1,833,199,120	5,456,537,760
	1998	2,076,996,400	6,468,645,410
	1999	2,093,290,180	6,256,166,240
	2000	2,123,863,540	6,821,058,820
	2001	2,120,544,110	7,166,299,460
	2002	1,980,508,830	7,303,138,560
2003	1,907,055,340	6,935,414,300	
<b>Transportation equipment</b>	1996	615,655,150	2,314,613,110
	1997	757,474,990	3,611,301,960
	1998	834,719,400	3,589,286,540
	1999	708,519,490	2,710,199,040
	2000	926,700,320	3,341,345,780
	2001	769,807,430	3,510,216,700

	2002	857,642,580	3,324,114,360
	2003	821,708,250	2,930,577,450
Instruments - measuring, musical	1996	278,686,420	558,528,320
	1997	315,009,790	667,542,810
	1998	400,317,170	832,136,170
	1999	373,776,560	736,217,630
	2000	404,166,830	771,893,730
	2001	438,463,800	844,309,590
	2002	469,698,510	938,875,770
	2003	410,700,940	910,809,350
Arms & ammunition	1996	6,404,440	10,152,510
	1997	8,096,890	12,780,740
	1998	2,443,080	15,901,470
	1999	5,472,210	10,376,980
	2000	8,661,550	18,729,130
	2001	4,474,870	19,716,410
	2002	21,080,830	21,484,490
	2003	79,636,860	20,563,420
Miscellaneous	1996	326,204,880	705,839,490
	1997	357,136,940	859,878,230
	1998	371,561,190	919,027,590
	1999	402,301,180	950,150,300
	2000	418,836,930	1,028,274,360
	2001	404,845,450	1,057,272,550
	2002	393,284,620	1,153,303,020
	2003	372,637,260	1,126,047,680
Works of art	1996	5,459,190	11,694,810
	1997	11,034,610	19,439,590
	1998	7,679,180	16,168,830
	1999	14,053,230	27,424,760
	2000	12,713,530	19,336,250
	2001	10,693,550	19,211,500
	2002	33,419,540	18,337,060
	2003	16,903,950	20,210,720
Other	1996	123,568,500	114,218,480
	1997	105,477,960	45,306,960
	1998	95,205,680	80,745,700
	1999	160,515,950	92,072,380
	2000	131,716,300	66,525,260
	2001	156,206,340	97,166,750
	2002	148,654,840	130,077,340
	2003	145,005,730	100,060,290

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## TARIFFS AND DUTIES

As a member of the EEA (European Economic Area) there are no import duties on most goods, with the exception of agricultural products such as fruit, vegetables and flowers.

In July 1995, Norway accelerated implementation of its WTO commitments for tariff reductions on agricultural commodities by immediately adopting the year 2000 bound tariff-rate targets. Tariffication of agricultural non-tariff barriers as a result of the Uruguay Round led to the replacement of quotas with higher product tariffs.

Domestic agricultural shortages and price surges have been addressed through temporary tariff reductions.

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# NON TARIFF BARRIERS

## Food Products

Norway adopted the rules and regulations of the EU related to the import of food products from animals and other food beginning January 1, 1999. For imported food products of animal origin this means that they must come from an EU-approved plant and be accompanied by the necessary certificates. The Norwegian importer must register and notify the authorities 24 hours in advance (30 days in advance for animals) of the arrival of any shipment.

## Sanitary & Phytosanitary Measures - Biotechnology Food and Agricultural Products

Under the authority of Norway's 1993 Gene Technology Act, the government may ban the import of biotechnology food and agricultural products based on a number of criteria. The Act's stated purpose is to ensure that the production and use of biotechnology products do not cause detrimental effects to health and the environment, and takes place in an ethically and socially justifiable way and in accordance with the principle of sustainable development.

The Norwegian government introduced a regulation in October 1997 requiring the labeling of all products that contain a minimum of two percent material derived from biotechnology sources. The regulation requires labeling regardless of whether the processed product carries biotechnology traits. Norwegian consumer organizations and retail groups are strongly opposed to biotechnology food and agricultural products.

Even if a product has been authorized for sale and distribution in the EU, and thus is presumably free to circulate in Norway under the EEA, the Norwegian government can ban it if it does not comply with the Gene Technology Act. Norway has already rejected a couple of biotechnology plants, organisms, and non-food products approved in the EU, but has approved some others, including tobacco and flowers. The Government of Norway maintains that there is no general ban on biotechnology food and agricultural products even if non-biotechnology alternatives are available, and that the policies apply equally to locally produced biotechnology products. The authorities also state they have not received any Norwegian applications for placing biotechnology food or agricultural products on the market and that this explains why there is currently no commercial trade of Norwegian biotechnology products.

## Services Barriers - Financial Sector

In December 1997, Norway made commitments under the WTO Financial Services Agreement (the Fifth Protocol to the GATS). No additional implementation measures were required. Recent deregulation of financial markets appears to have eliminated many of the barriers facing financial institutions seeking to operate in Norway. Without an exemption from the Ministry of Finance, no single or coordinated group of investors - Norwegian or foreign - may purchase more than 10 percent of the equity of a Norwegian insurance company, commercial bank, or savings bank. However, on December 17, 1999, an amendment to the Act on Financial Activities and Financial Institutions took effect that allows the Ministry of Finance to approve ownership holdings up to 25 percent in combination with strategic cooperation and alliances. Although this amendment applies without discrimination to both Norwegian and foreign institutions, there is no explicit guidance on what criteria the Ministry will consider as a basis for approving the exceptions. Without an exemption from the Ministry of Trade and Industry, half the members of the board and half the members of the corporate assembly of a financial institution must be permanent residents of Norway or citizens of a state within the EEA. Cross-border insurance can only be supplied through an insurance broker authorized in Norway. In order for one or more foreign banks to establish a new Norwegian bank, one of the foreign banking partners must own more than 50 percent of the equity in the new bank.

## Agriculture and Fisheries

### Sanitary and phytosanitary measures

#### 🟡 040079-Norway- Live bovines, bovine products and derivatives [2004-09-10]

Import ban on EU live bovine and processed animal protein in feed for farmed animals because of BSE

- General statement on BSE to all Third Countries on 17/03/2004 in reaction on the statement of the USA

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## INVESTMENT RELATED BARRIERS

In accordance with EEA articles on national treatment, in 1995 the Norwegian government abolished earlier rules governing foreign investment in industrial companies. Under the current system, foreign investors no longer need to obtain government authorization before buying limited shares of large Norwegian corporations. However, both foreign and Norwegian investors are still required to notify the government when their ownership in a large company (the definition of which depends on certain size criteria) exceeds specific threshold levels of 33 percent, 50 percent, or 67 percent. Norwegian authorities can initiate a closer examination if they believe the acquisition could have a substantial negative effect on the company, trade, or the public interest, including a negative effect on employment. There are no formal standardized performance requirements imposed on foreign investors. In the past, the Norwegian government had shown a strong preference to Norwegian oil companies in awarding the most promising oil and gas blocks. For competition and public procurement issues the European Union's rules apply.

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## IPR

There is a concern that cable/satellite decoder and smart card piracy and unauthorized cable retransmission continue to be a problem in Norway. Industry estimates that 33 percent of all such transmissions may be unauthorized or pirated. Norwegian courts and authorities have responded, and copyright enforcement is prompt and reasonably effective. A 1995 amendment to the penal code imposed fines and one-year prison sentences for the sale, marketing, and use of illegal decoders and smart cards.