

FACT SHEET

Overview of Norway

| Geography | |
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| Land area | <ul style="list-style-type: none"> Norway, officially the Kingdom of Norway, is located in northern Europe. It has a total land area of 304 282 sq km divided into 19 counties. Oslo is the capital of the country and seat of government. |
| Demographics | |
| Population | <ul style="list-style-type: none"> Norway had a population of about 5.1 million at end-July 2014. The majority of the population were Norwegian (94%), followed by ethnic minority groups such as Polish, Swedish and Pakistanis. |
| History | |
| Political ties with Denmark and Sweden | <ul style="list-style-type: none"> Norway has a history closely linked to that of its immediate neighbours, Sweden and Denmark. Norway had been an independent kingdom in its early period, but lost its independence in 1380 when it entered into a political union with Denmark through royal intermarriage. Subsequently both Norway and Denmark formed the Kalmar Union with Sweden in 1397, with Denmark as the dominant power. Following the withdrawal of Sweden from the Union in 1523, Norway was reduced to a dependence of Denmark in 1536 under the Danish-Norwegian Realm. |
| Union between Norway and Sweden | <ul style="list-style-type: none"> The Danish-Norwegian Realm was dissolved in January 1814, when Denmark ceded Norway to Sweden as part of the <i>Kiel Peace Agreement</i>. That same year Norway – tired of forced unions – drafted and adopted its own <i>Constitution</i>. Norway's struggle for independence was subsequently quelled by a Swedish invasion. In the end, Norwegians were allowed to keep their new <i>Constitution</i>, but were forced to accept the Norway-Sweden Union under a Swedish king. |

| History (cont'd) | |
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| Independence of Norway | <ul style="list-style-type: none"> The Sweden-Norway Union was dissolved in 1905, after the Norwegians voted overwhelmingly for independence in a national referendum. Norway became a constitutional monarchy, with a Danish Prince elected and crowned by Norwegians as King Haakon VII. |
| Two World Wars | <ul style="list-style-type: none"> Norway stayed neutral during both World Wars but was occupied by the Nazis in 1940. King Haakon VII fled to Britain and set up a government-in-exile. German forces in Norway surrendered in May 1945 and Haakon returned to Norway in June. |
| Post-war developments | <ul style="list-style-type: none"> In the early years after World War II, Norway encompassed extensive economic reconstruction. The discovery of significant oil deposits in the Norwegian North Sea in the 1960s facilitated a rapid economic development of the country. Norway held referenda on seeking entry into the European Community and its successor the European Union ("EU") in 1972 and 1994 respectively, with the population rejecting membership both times. Nevertheless, Norway has maintained close relationship with the EU through its membership in the European Economic Area ("EEA"). Established on 1 January 1994, EEA unites the EU member states, Iceland, Liechtenstein and Norway into an internal market governed by the same basic rules. These rules aim to enable goods, services, capital, and persons to move freely about the EEA in an open and competitive environment. |
| Economy | |
| Gross Domestic Product ("GDP") | <ul style="list-style-type: none"> Norway's economy was the 23rd largest in the world in 2013, with an estimated GDP of US\$510 billion (HK\$3,965 billion). At US\$100,300 (HK\$778,069), Norway's GDP per capita ranked 2nd in the world in 2013. |

| Economy (cont'd) | |
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| Economic structure | <ul style="list-style-type: none"> • The estimated GDP composition by sector in 2013 was: <ul style="list-style-type: none"> (a) agriculture (1%); (b) industry (42%); and (c) services (57%). • In Norway, only a small percentage of land area is suitable for productive agriculture. Nevertheless, Norway is richly endowed with natural resources, such as offshore oil and natural gas reserves, hydropower, fish, forests and minerals, which have helped the country develop into one of the world's richest countries in terms of GDP per capita. • Norway's services sector plays a prominent role in the economy, employing about three-quarters of the total workforce. Although the largest sub-sectors are wholesale and retail trade, and business and travel-related services, Norway has a large ocean-going transport sector and other services affiliated to the petroleum industry (particularly pipeline transport services⁽¹⁾). • Industry is dominated by the oil and gas sector, which accounts for over half of the total export earnings and about 30% of the government revenue. Indeed, Norway is the world's third-largest natural gas exporter and seventh-largest oil exporter. • Norway's vast offshore domain is the most extensive in Europe and provides significant catches of fish. Norway is Europe's largest supplier of fish and fish products, with an annual production of about 600 000 tonnes of farmed fish and shellfish. |
| Recent economic performance | <ul style="list-style-type: none"> • Norway experienced an uninterrupted economic growth throughout most of the 2000s until the outbreak of the global financial crisis in 2008. Although Norway's economy was not affected by the crisis as much as some developed economies, it recorded almost a flat growth in 2008 and contracted by 1.6% in 2009. |

Note: (1) Norway has an extensive network of subsea oil pipelines which connect offshore oilfields with onshore processing terminals.

| Economy (cont'd) | |
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| Recent economic performance (cont'd) | <ul style="list-style-type: none"> • The Norwegian government responded to the economic downturn with the implementation of fiscal stimulus measures totalling US\$2.86 billion (HK\$22.2 billion) to boost the local economy. The measures helped lift the country out of a shallow recession to grow by 0.5% in 2010. The growth momentum continued into 2011, not only in sectors closely connected to the petroleum industry and public-sector service provision, but also in certain other dynamic sectors such as financial intermediation, retail distribution, fishing, and fish farming. As a result, Norway's economy grew by 1.2% in 2011. • In 2012, Norway's economy escaped from the euro zone debt crisis relatively unscathed to grow by 3.1%. This resilience was attributable to the strong investment in the petroleum industry amid the discovery of new oil field and high oil prices. GDP growth eased to 0.8% in 2013 as a result of weakening global trade and hence contracting exports. • Norway's economy recovers gradually in 2014 after last year's unexpectedly deep slowdown. Growth is driven by stronger private consumption, fuelled by improved real incomes and continued good employment growth for households. Exports also benefit from a weaker local currency and higher foreign demand. Meanwhile, capital spending growth remains modest in view of the weak construction sector amid subdued performance of the property market. Overall, Norway's GDP is forecast to grow by 2.6% in 2014. |
| Change of government | |
| Government leadership | <ul style="list-style-type: none"> • The Labour Party has dominated Norwegian politics for much of the last 80 years. Until the 1981 election, the Labour Party lost its majority, which paved the way for the first post-war Conservative government ruling on its own. • Since 1981, Norway was ruled by a succession of minority governments alternating among Labour minority government, Christian Democratic-led government and Conservative-led government. |

| Change of government (cont'd) | |
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| Government leadership (cont'd) | <ul style="list-style-type: none"> • In the run-up to the 2005 election, Labour Party leader Jens Stoltenberg reached out to the Socialist Left Party and the Centre Party to form the "Red-Green Coalition", which won a total of 87 out of 169 seats and formed the government. • The Red-Green Coalition was re-elected in the 2009 election, becoming the first ruling government to win a second consecutive term in 16 years. The coalition retained its narrow majority in the Stortinget (Norway's unicameral legislature) with 86 seats and the Progress Party trailed at 41 seats. Jens Stoltenberg served as the Prime Minister for two consecutive four-year terms since 2005. • The ruling coalition was subsequently defeated in the 2013 election by the centre-right coalition comprising the Conservative Party, the Progress Party, the Christian Democratic Party and the Liberal Party. This coalition, led by the Conservative Party, took a total of 96 seats in the Stortinget. Both the Conservative Party and the Progress Party subsequently formed a government with the support of their allies under the premiership of Conservative Erna Solberg. She was sworn in on 16 October 2013 to become the second female Prime Minister of the country. Olemic Thommessen of the Conservative Party has been the President of the Stortinget since October 2013. |
| Institutions of the <i>Constitution</i> | |
| Three branches of government | <ul style="list-style-type: none"> • Norway is a constitutional monarchy. Crowned on 17 January 1991, King Harald V⁽²⁾ is the head of state. • Although the <i>Constitution</i> grants the important executive power to the King, it is always exercised by the Council of State in the name of the King (King's Council). The Council of State consists of the Prime Minister and at least seven other Ministers. In general, the King appoints the leader of a political party or a coalition of parties that has a majority in the Stortinget as the Prime Minister. Erna Solberg of the Conservative Party has been the Prime Minister of Norway since October 2013. |

Note: (2) King Harald V succeeded to the throne in 1991 upon the death of his father, King Olav V, who had served since 1957. King Harald V is the grandson of King Haakon VII, who served from Norway's independence in 1905 through 1957 and saw the country through World War II.

| Institutions of the <i>Constitution</i> (cont'd) | |
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| Three branches of government (cont'd) | <ul style="list-style-type: none"> • The Legislative Branch of Norway consists of the unicameral Stortinget established by the <i>Constitution</i> of 1814. The Stortinget is made up of 169 Members elected from 19 counties according to a system of proportional representation. Parliamentary elections take place every four years. • Norway's judicial system consists primarily of district courts, courts of appeal, and a Supreme Court of Justice. The latter is the final court of appeal with jurisdictions over disputes in all areas of law. |
| Ties with Hong Kong | |
| Trade | <ul style="list-style-type: none"> • Importance of Norway to Hong Kong's external trade in the first half of 2014: <ol style="list-style-type: none"> (a) 50th largest trading partner; (b) 51st largest export market; and (c) 45th largest source of import. |
| Tourism | <ul style="list-style-type: none"> • In the first half of 2014, visitor arrivals from Norway to Hong Kong decreased by 11.3% year-on-year to 9 064, representing less than 0.1% of the total visitor arrivals during the year. |
| Investment | <ul style="list-style-type: none"> • As at June 2013, Norwegian companies established 11 regional offices and 10 local offices in Hong Kong. |

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