



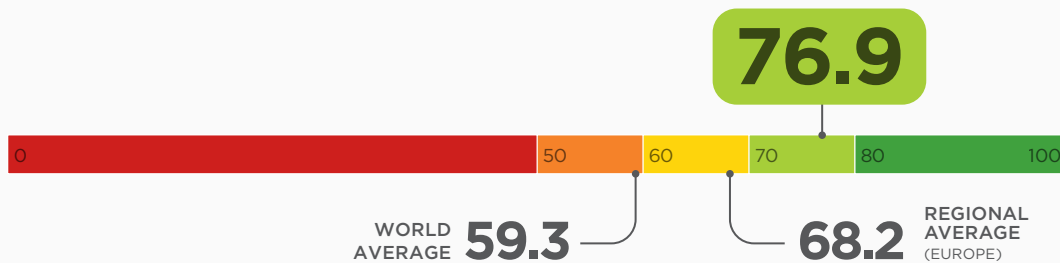
WORLD RANK: 12	REGIONAL RANK: 9
ECONOMIC FREEDOM STATUS: MOSTLY FREE	

NORWAY

Norway's economic freedom score is 76.9, making its economy the 12th freest in the 2023 *Index*. Its score is unchanged from last year. Norway is ranked 9th out of 44 countries in the Europe region, and its overall score is well above the world and regional averages.

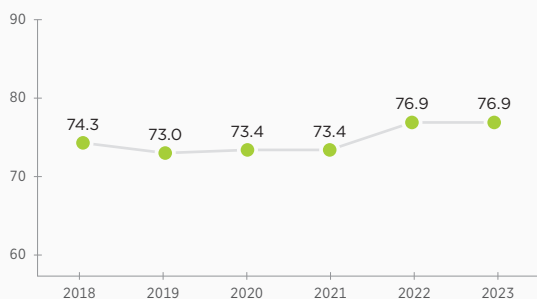
The diversified and modern Norwegian economy benefits from high levels of flexibility and institutional strengths that include strong protection of property rights and an efficient legal framework. Together with openness to global commerce, prudent and transparent regulations sustain economic dynamism and a commercial environment that is both innovative and resilient.

ECONOMIC FREEDOM SCORE



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

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
5.4 million

GDP (PPP):
\$383.5 billion
3.9% growth in 2021
5-year compound annual growth 1.5%
\$70,825 per capita

UNEMPLOYMENT:
4.4%

INFLATION (CPI):
3.5%

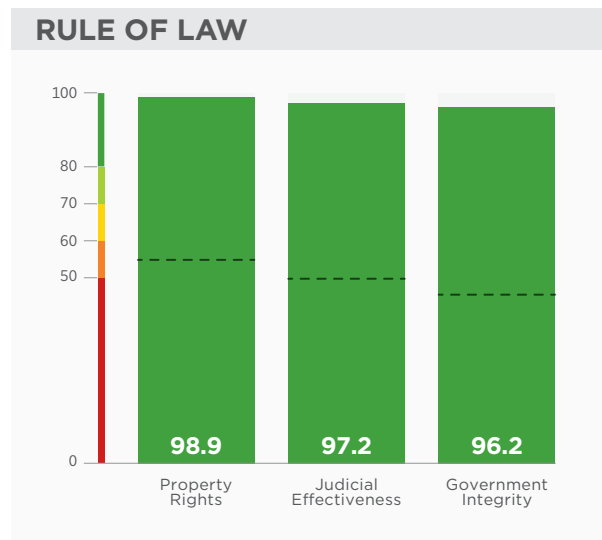
FDI INFLOW:
-\$1,628.1 million

PUBLIC DEBT:
43.4% of GDP

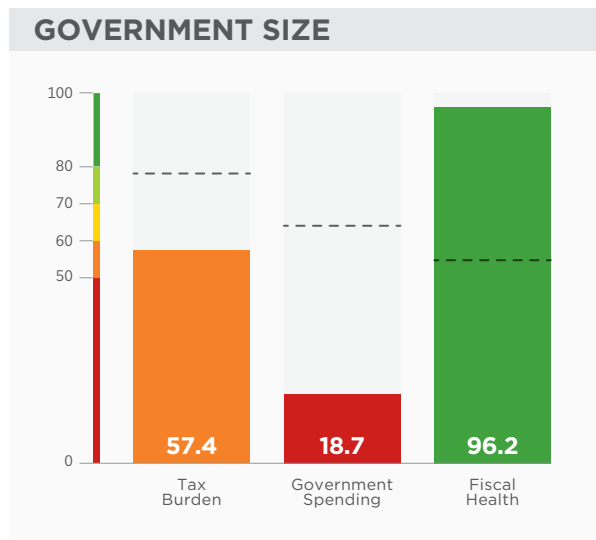
2021 data unless otherwise noted. Data compiled as of September 2022

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 of Prime Minister Jonas Gahr Stoere's Labor Party and the agrarian Center Party took office in October 2021. 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. 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.

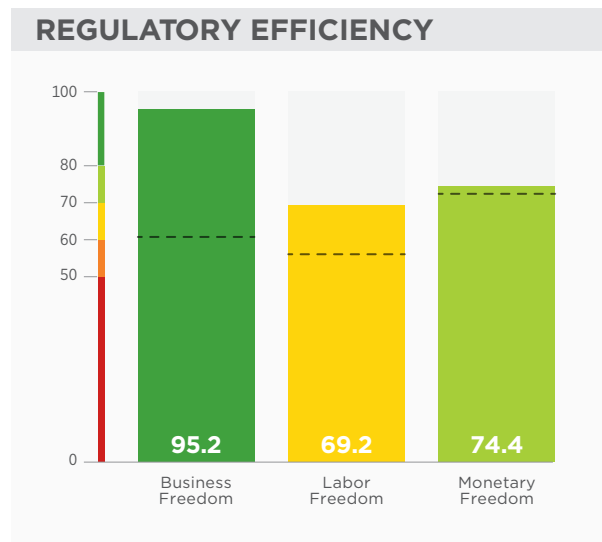
12 ECONOMIC FREEDOMS | NORWAY



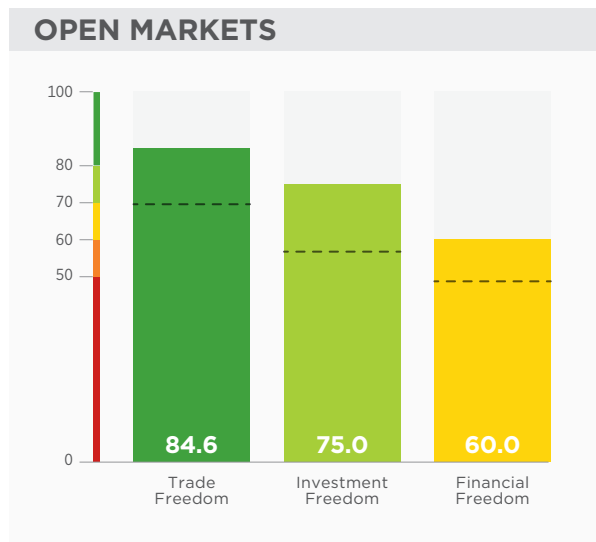
The overall rule of law is very well respected in Norway. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 47.8 percent and 22 percent. The tax burden equals 38.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 52.0 percent and 4.3 percent of GDP. Public debt equals 43.4 percent of GDP.



Business registration and related processes are straightforward and transparent. The supply of labor skills and the demand for them are well matched. The labor market lacks flexibility, but the non-salary cost of employment is not high. The most recent available inflation rate is 3.5 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. The economy benefits from openness to foreign investment. The financial sector is competitive and open. The state still owns the largest financial institution.