



DOING BUSINESS IN NORWAY

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Introduction

 CAPITAL: OSLO

 POPULATION

Total Population: 5,314,336

Natural Increase: 0.7%

Density: 15 Inhabitants/km²

Urban Population: 82.2%

Population of main cities: Oslo (647,676); Bergen (275,112); Trondheim (184,960); Stravanger (132,102); Baerum (120,685)

Ethnic Origins: About 94.4% Norwegian (including 60,000 Sami people), 3.6% other European and 2% other (2007 estimate)

Official Language: Nearly all Norwegians speak the official language, Norwegian. It has two written forms, Bokmål and Nynorsk. Bokmål is more common of the two. In some districts Sami (spoken by the Sami minority) is also an official language.

Business Language(s): Most Norwegians speak at least some English. Business people speak excellent English.

Religion: 82.1% Church of Norway, 3.9% other Christians, 2.3% Muslims, 1.8% Roman Catholic, 2.4% others and 7.5% unspecified (2011 estimate)

National Currency: Norwegian Krone (NOK)

 COUNTRY OVERVIEW

Area: 625,217 km²

Type of State: A constitutional monarchy based on parliamentary democracy.

Type of Economy: High-income economy, OECD member.

One of the highest GDP per capita in the world; best index of quality of life in the world; economy very dependent on the revenue generated by petroleum exploitation

HDI*: 0.944/1

HDI (World Rank): 1/188

Note: () [The HDI](#), Human Development Index, is an Indicator Which Synthesizes Several Data Such as Life Expectancy, Level of Education, Professional Careers, Access to Culture etc.*

 TELECOMMUNICATION

Telephone Code:

To call from Norway, dial 00

To call Norway, dial +47

Internet Suffix: .no

Computers: 62.9 per 100 Inhabitants

Telephone Lines: 29.5 per 100 Inhabitants

Internet Users: 95.0 per 100 Inhabitants

Access to Electricity: 100% of the Population

Foreign Trade in Figures

Foreign Trade Indicators	2014	2015	2016	2017	2018
Imports of Goods <i>(million USD)</i>	89,185	76,228	72,335	82,753	86,600
Exports of Goods <i>(million USD)</i>	144,591	105,372	88,963	101,976	121,791
Imports of Services <i>(million USD)</i>	56,052	45,758	47,092	48,929	51,725
Exports of Services <i>(million USD)</i>	49,305	40,290	36,404	36,997	42,827

Source: WTO - World Trade Organisation, 2017

[See the latest updates in the Country Profile for Norway.](#)

Latest Update: December 2019

Economic and Political Overview

ECONOMIC OUTLINE

Economic Overview

After experiencing two years of economic downturn, the Norwegian economy is now rebounding and recovering from the oil shock. GDP growth, which rose to 1.9% in 2017, stood above 2% (2.1% according to the IMF estimations, 2.2% according to Statistics Norway) on the back of strong domestic demand, improved business investment and growing exports. Growth should remain robust at around 2.1% in 2019.

Growth of the mainland economy (growth that is dissociated from the oil and gas industry) was supported by the rise in oil prices until September 2018 and was coupled with a corresponding increase in investment and income. The revised 2018 budget adopted a neutral stance by saving more-than-expected oil profits and focusing on strengthening long-term growth potential. It targeted to reduce and shift the tax burden from direct taxes to indirect taxes, improve public sector efficiency, infrastructure and promote innovation. The government's budget proposal for 2019 maintains a neutral fiscal stance that reflects sustained output growth and a fiscal rule, which requires that the structural deficit ultimately corresponds to 3% of the value of the oil fund (public deficit currently amounts to 7.5% of GDP). As a sign of continued growth, Norwegian Central Bank raised its base rate from 0.5% to 0.75% in September 2018, and should maintain a policy of a gradual increase to 2% by the end of 2021. While risks to the Norwegian economy's outlook are balanced, international trade tensions could hurt a very open economy like Norway. Domestically, there is a risk associated with high household debt and rising property prices. Norway's Sovereign Wealth Fund, whose value exceeds USD 1 trillion, posted losses in the first quarter of 2018, its first in two years, citing falling stock markets.

Norway is a rich country, with the second highest GDP per capita in the world. The country also scores at the top of the United Nations Development Programme's Human Development Index ranking. Unemployment, which had reached an eleven-year high in 2016, was expected to have declined to 3.8% (4% according to Statistics Norway).

Main Indicators	2017	2018	2019 (e)	2020 (e)	2021 (e)
GDP (billions USD)	398.39e	434.17e	417.63	422.06	432.97
GDP (Constant Prices, Annual % Change)	2.3e	1.3e	1.9	2.4	1.6
GDP per Capita (USD)	75,307e	81,550e	77,975	78,333	79,879
General Government Balance (in % of GDP)	-7.7e	-7.1e	-7.6	-7.7	-7.8
General Government Gross Debt (in % of GDP)	36.9e	40.0e	40.0	40.0	40.0
Inflation Rate (%)	1.9	2.8e	2.3	1.9	2.0
Unemployment Rate (% of the Labour Force)	4.2	3.9e	3.6	3.5	3.6
Current Account (billions USD)	22.51	35.04e	28.71	30.24	29.67
Current Account (in % of GDP)	5.7	8.1e	6.9	7.2	6.9

Source: IMF - World Economic Outlook Database, Latest available data

Note: (e) Estimated Data

Main Sectors of Industry

Agriculture accounts for 2% of the GDP and employs 2.04% of the workforce. Fishing is an important activity as Norway is the world's second biggest seafood exporter after China. Agricultural subsidies are very significant.

Industry employs a bit less than one-fifth of the workforce and represents a third of the GDP; its share started to pick up as of 2017 after years of steady decline. Norway's economy depends on its natural resources and energy sources (oil, gas, hydraulic energy, forests and minerals). Oil production, which has once dominated the GDP, now provides 12% of GDP as it is well below its peak level in 2000. The political consensus is to save oil and gas revenues for future generations; therefore, Norway has the largest sovereign wealth fund in the world (valued at over USD 1 trillion at the end of 2017). Shipbuilding, metals, wood pulp and paper, the chemical industry, machinery and electrical equipment make up Norway's main manufacturing industries. Norway also has one of the largest and most modern fleets in the world.

The service sector is highly developed; it employs over three-quarters of the population (78%) and accounts for 56.77% of the GDP.

Breakdown of Economic Activity By Sector	Agriculture	Industry	Services
Employment By Sector <i>(in % of Total Employment)</i>	2.0	19.1	78.9
Value Added <i>(in % of GDP)</i>	1.9	32.0	56.8
Value Added <i>(Annual % Change)</i>	0.2	-0.8	2.1

Source: World Bank, Latest available data.

Learn more about [Market Analyses about Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Indicator of Economic Freedom

Score: 73/100
 World Rank: 26
 Regional Rank: 15

[Economic freedom in the world \(interactive map\)](#)

Source: [2019 Index of Economic Freedom, Heritage Foundation](#)

Business environment ranking

Score: 8.01
 World Rank: 11/82

Source: [The Economist - Business Environment Rankings 2014-2018](#)

Country Risk

See the country [risk analysis](#) provided by [Coface](#).

Sources of General Economic Information

Ministries [Ministry of Agriculture and Food](#)
[Ministry of Trade and Industry](#)
[Ministry of Foreign Affairs](#)

Statistical Office [Central Office for Statistics](#)

Central Bank	Central Bank of Norway
Stock Exchange	Oslo Børs
Other Useful Resources	Confederation of Norwegian Business and Industry CIA World Factbook
Main Online Newspapers	Aftenposten (in Norwegian) Dagens Naeringsliv (only in Norwegian) Verdens Gang (only in Norwegian) The Norway Post
Economic Portals	Portals to the World: Norway Bedin - Establishing and running business in Norway

POLITICAL OUTLINE

Type of State	A constitutional monarchy based on parliamentary democracy.
Executive Power	The constitution grants executive powers to the King (the head of state), but these are exercised by the cabinet. The King serves a ceremonial role with some reserve powers. After elections, the majority leader is usually appointed Prime Minister (the head of the cabinet) by the monarch with the approval of the parliament.
Legislative Power	The Norwegian parliament is the legislative body of Norway. This parliament is unicameral and consists of 169 representatives. Members are elected for four-year terms according to a system of proportional representation. Parliament can not be dissolved.
Main Political Parties	Coalition governments comprising several parties are typical in Norway. Currently, eight parties are represented in the parliament. The Labour Party and the Conservative Party are the most represented. <ul style="list-style-type: none"> - Norwegian Labour Party (DNA): centre-left - Progress Party (FrP): right-wing party - Conservative Party (Høyre): centre-right - Liberal Party (Venstre): centre-right, conservative-liberal - Christian Democratic Party (KrF): centre - Socialist Left Party (SV): left-wing - Centre Party (SP): centrist - The Green Party
Current Political Leaders	King: HARALD V (since 17 January 1991) - hereditary Prime Minister: Erna SOLBERG (since 16 October 2013) - Conservative Party
Next Election Dates	Parliamentary: September 2021

Indicator of Freedom of the Press

World Rank: 1/180

Source: [2019 World Press Freedom Index, Reporters Without Borders](#)

Indicator of Political Freedom

Ranking: Free

Political Freedom: 1/7

Civil Liberties: 1/7

[Political freedom in the world \(interactive map\)](#)

Source: [Freedom in the World 2019](#), Freedom House

Latest Update: December 2019

Trade Profile

FOREIGN TRADE IN FIGURES

Norway has a very open economy, trade representing 68.5% of GDP (2018 - World Bank). Traditionally, the country exports energy-intensive products and imports high-technology items. The country is among top 20 exporters of oil and the second largest natural gas and seafood exporter in the world. Overall, Norway ranks among the 25 biggest global exporters (excluding inter-EU trade). Industrial products (ships, oil platforms, etc.) constitute close to 10% of total exports. Norway mainly imports manufactured items (machinery, transporters, information technology), which account for 40% of all imports.

The country's main trade partners are the European Union member states. The United Kingdom was the top destination of Norwegian exports (21.1%), followed by Germany (15.5%), the Netherlands (9.9%), Sweden (6.6%) and France (6.4%). Sweden was the main supplier of goods and services in Norway (11.5%), followed by Germany (11.1%), China (9.8%), United States (6.8%) and South Korea (6.8%).

Norway's trade surplus is considerable. However, the trade surplus is closely linked to global oil and gas prices and was much lower between 2015-2017, compared with previous years. After hitting a 17-year low in 2016 at NOK 140.4 billion, the Norwegian trade surplus widened considerably in 2018 to NOK 288 billion, with exports hitting nearly NOK 1 trillion, up by 16.2% compared with a year earlier. Exports of the oil and gas industry accounted for more than half of exports at NOK 542.2 billion. At the same time, imports rose by 4% to NOK 711.8 billion.

Foreign Trade Indicators	2014	2015	2016	2017	2018
Imports of Goods <i>(million USD)</i>	89,185	76,228	72,335	82,753	86,600
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Exports of Services <i>(million USD)</i>	49,305	40,290	36,404	36,997	42,827
Imports of Goods and Services <i>(Annual % Change)</i>	2.0	1.9	2.7	1.9	1.9
Exports of Goods and Services <i>(Annual % Change)</i>	3.4	4.3	1.1	1.7	-0.2
Imports of Goods and Services <i>(in % of GDP)</i>	29.7	32.1	33.5	32.8	32.6
Exports of Goods and Services <i>(in % of GDP)</i>	39.0	37.8	35.5	36.3	38.4
Trade Balance <i>(million USD)</i>	52,620	27,486	12,920	23,203	33,562
Trade Balance (Including Service) <i>(million USD)</i>	44,435	21,864	6,036	13,906	25,222
Foreign Trade <i>(in % of GDP)</i>	68.7	69.9	68.9	69.2	71.1

Source: World Trade Organisation (WTO) - 2017; World Bank - 2017

Main Partner Countries

Main Customers <i>(% of Exports)</i>	2018	Main Suppliers <i>(% of Imports)</i>	2018
United Kingdom	21.6%	Sweden	12.1%
Germany	16.0%	Germany	10.9%
Netherlands	10.6%	China	10.0%

Main Customers <i>(% of Exports)</i>	2018
France	6.7%
Sweden	6.7%
Belgium	5.2%
United States	4.7%
Denmark	4.6%
Poland	2.3%
China	2.1%

Main Suppliers <i>(% of Imports)</i>	2018
United States	7.7%
Denmark	5.5%
United Kingdom	5.4%
Netherlands	3.7%
Poland	3.4%
Italy	3.2%
France	3.2%

Source: Comtrade, 2017

Main Products

122.6 bn USD of products exported in 2018	
Petroleum gas and other gaseous hydrocarbons	28.9%
Petroleum oils and oils obtained from bituminous minerals, crude	26.9%
Fish, fresh or chilled (excl. fish fillets and other fish meat of heading 0304)	6.0%
Petroleum oils and oils obtained from bituminous minerals (excl. crude); preparations containing $\geq 70\%$ by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, n.e.s.; waste oils containing mainly petroleum or bituminous minerals	5.6%
Unwrought aluminium	2.5%
Fish fillets and other fish meat, whether or not minced, fresh, chilled or frozen	1.6%
Frozen fish (excl. fish fillets and other fish meat of heading 0304)	1.1%
Unwrought nickel	1.0%
Carboxamide-function compounds; amide-function compounds of carbonic acid	0.8%
Electrical energy	0.8%

87.4 bn USD of products imported in 2018	
Motor cars and other motor vehicles principally designed for the transport of persons, incl. station wagons and racing cars (excl. motor vehicles of heading 8702)	7.1%
Petroleum oils and oils obtained from bituminous minerals (excl. crude); preparations containing $\geq 70\%$ by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, n.e.s.; waste oils containing mainly petroleum or bituminous minerals	2.9%
Structures and parts of structures e.g., bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns, of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel (excl. prefabricated buildings of heading 9406)	2.5%
Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, n.e.s.	2.3%
Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras; still image video cameras and other video camera recorders; digital cameras	2.2%
Nickel mattes, nickel oxide sinters and other intermediate products of nickel metallurgy :	2.0%

87.4 bn USD of products imported in 2018	
Petroleum oils and oils obtained from bituminous minerals, crude	2.0%
Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses incl. those in the form of transdermal administration or in forms or packings for retail sale (excl. goods of heading 3002, 3005 or 3006)	1.9%
Motor vehicles for the transport of goods, incl. chassis with engine and cab	1.7%
Powered aircraft e.g. helicopters and aeroplanes; spacecraft, incl. satellites, and suborbital and spacecraft launch vehicles	1.5%

Source: Comtrade, 2017

See More Products [More imports \(Intracen Data\)](#)
[More exports \(Intracen Data\)](#)

Exchange Rate System

Local Currency Norwegian Krone (NOK)
 Exchange Rate Floating exchange regime.
 Regime
 Level of Currency High. The krone’s volatility is due to changes in oil prices and interest rates.
 Instability
 Exchange Rate on :

Monetary Indicators	2014	2015	2016	2017	2018
Norwegian Krone (NOK) - Average Annual Exchange Rate For 1 USD	6.30	8.06	8.40	8.27	8.13

Source: World Bank - Latest available data.

TRADE COMPLIANCE

International Conventions Member of [World Trade Organisation](#)
 Member of [OECD](#)
 Party to the [Kyoto Protocol](#)
 Party to the [Washington Convention](#) on International Trade in Endangered Species of Wild Fauna and Flora
 Party to the [Basel Convention](#) on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal
 Party to the [Montreal Protocol](#) on Substances That Deplete the Ozone Layer
 Party to the [Wassenaar Arrangement](#) on Export Controls For Conventional Arms and Dual-Use Goods and Technologies
 Party of the [International Coffee Agreement 2007](#)

Main International Economic Cooperation	Norway is a Member of the EEA (European Economic Area) and applies the whole EU acquis except for agriculture and fisheries. Norway seeks to conclude bilateral trade agreements in the European Free Trade Association (EFTA) framework.
Party of the ATA Convention on Temporary Admissions and Use of the Carnets	Yes <i>As a Reminder, the ATA is a System Allowing the Free Movement of Goods Across Frontiers and Their Temporary Admission Into a Customs Territory With Relief From Duties and Taxes. The Goods Are Covered By a Single Document Known as the ATA Carnet That is Secured By an International Guarantee System.</i> Look Up the Other Member Countries And Read the Web Pages of the World Customs Organization Devoted to the ATA Carnet.
Party of the TIR Convention	Yes <i>As a Reminder, the TIR Convention and its Transit Regime Contribute to the Facilitation of International Transport, Especially International Road Transport, Not Only in Europe and the Middle East, But Also in Other Parts of the World, Such as Africa and Latin America.</i> <i>The UNCTAD Website Allows You to Read the TIR Convention, See the List of Member Countries And to Find Further Information.</i>
Accompanying Documents For Imports	Commercial invoice and a bill of lading or an airway bill are required as general import documentation. A certificate of origin is not required unless specified. Certificates are required for the importation of live animals, animal products, plants, fresh fruits, vegetables and other plant materials. .
Free Zones For Further Information	No free zones. Special provisions and minimal taxation in the Svalbard archipelago. Customs and Excise Service Ministry of Trade and Industry
Non Tariff Barriers	Norway is a member of the European Economic Area and applies the European Union trade policy rules, except for agriculture and fisheries. Norway does not have many import restrictions, except for agricultural sector, which remains highly protected with high tariffs, quantitative restrictions and technical barriers. Goods containing animal products require a certificate from the competent authority in the country of origin. A sanitary or health certificate is required for animal products, live animals and plants. For most vegetables, fruit and plant material a phytosanitary certificate is required. Fishery products need to show a catch certificate. A number of products require an import license, for example clothes and textiles. Genetically modified products and biotech products face more restrictive legislation than in EU countries.
Sectors or Products For Which Commercial Disagreements Have Been Registered With the WTO	Norway has been complainant in two cases concerning salmon and in one case concerning steel. Cases DS328 , DS337 , DS254 , respectively.
Assessment of Commercial Policy	The WTO pages devoted to Norway Barriers to exchanges , inventoried by the United States

Learn more about [How to Export to Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

STANDARDS

National Standards Organisations	Standards Norway The Norwegian Post and Telecommunication Authority
Integration in the International Standards Network	Standards Norway participates in the International Standardization Organization (ISO) and the European Committee for Standardization(CEN). The Norwegian Electrotechnical Committee is a member of the European Committee for Electrotechnical Standardization (CENELEC) and International Electrotechnical Commission (IEC) . The Norwegian Post and Telecommunications Authority participates in the International Telecommunication Union and the European Telecommunication Standard Institute (ETSI)
Obligation to Use Standards	Standards and certifications processes are as developed by the ETSI , CEN and the CENELEC .
Classification of Standards	A CE mark is obligatory.
Assessment of the System of Standardization	Consumers are becoming more informed about standards and regulation and pay more attention to them. Norway follows EU regulation on standards. In accordance with this legal framework, manufactures must fulfill EU conformity assessment conditions. For more information see the website of EU Harmonised Standards . For Electronic standards see the Norwegian Electro technical Committee and the Norwegian Post and Telecommunication Authority .
Online Consultation of Standards	Norsk Standard is the sales company owned by Standards Norway Information is available on the European Telecommunication Standard Institute (ETSI) , the European Committee for Standardization and the European Committee for Electrotechnical Standardization's websites.
Certification Organisations	Norwegian Accreditation European Accreditation
Associations of Standards Users	Stanfo - Forside

Latest Update: December 2019

Tax System

CORPORATE TAXES

Tax Base For Resident and Foreign Companies Foreign companies with their effective management and control in Norway are treated as resident for taxation purposes. To determine whether the effective management of a company is in Norway, conditions such as where the board of directors meets or where daily management decisions are taken can be considered.

Tax Rate

National Corporate Income Tax	22%
Corporate Income Tax (financial sector)	25%
Petroleum tax regime	22% 56% (only on income deriving from offshore production and pipeline transportation of petroleum from the Norwegian Continental Shelf)
Hydropower tax regime (applies to taxable income derived from the production, sales, transfer, or distribution of hydro power)	Taxation is based on net income at a marginal tax rate of 59%, which is comprised of the ordinary 22% CIT rate and a 37% resource rent tax (although only income from hydro power production is subject to the additional 34.3% resource rent tax)

Tax Rate For Foreign Companies Norwegian resident companies are taxed on their worldwide income, whereas non-resident companies are liable for corporate income tax when engaged in a business that is either conducted in or managed from Norway.

Capital Gains Taxation Capital gains derived from the sale of depreciable and non-depreciable business assets, immovable property and securities are included in income for corporate tax purposes and taxed at a flat rate of 22%. Capital gains arising from the sale of shares and the distribution of dividends are multiplied by an adjustment factor (1.44 in 2019). There is a corresponding right to a deduction for capital losses. Capital gains derived by a Norwegian limited company on the disposal of shares in another Norwegian (or EEA resident) limited company are exempt from taxation. If these gains derive from the sale of shares of a company resident in another EEA member state with lower tax rates, the exemption will only be applicable in the event of the completion of proven business in this country. Norwegian companies may benefit from a capital gains tax exemption deriving from the transfer of shares in a non-EEA resident company in the following cases: (a) the participation of the Norwegian company is at least 10% for a minimum of two years (b) the company owned is not a tax resident in a country with lower tax rates.

Main Allowable Deductions and Tax Credits Ordinary business expenses are generally deductible: research expenditure, depreciation, social security payments, losses as well as interest and royalty payments. In general, start-up expenses are deductible, provided that the costs are borne by the company. Donations to certain charitable institutions are tax deductible (capped at NOK 50,000 per year). Royalties and service fees paid to related foreign companies are fully deductible if they meet the arm's-length principle. Entertainment expenses and anticipated losses are non-deductible. Real estate tax and foreign income and capital taxes paid are deductible from the corporate income.

Losses may be carried forward indefinitely. Carryback of losses is permitted for losses incurred in the year of ceasing business (up to two years).

Production equipment and production installations will be exempt from property tax from 2019, with a seven-year transitional period.

Other Corporate Taxes Other taxes include tonnage tax, petroleum revenue tax, customs and excise duties, environmental taxes, stamp duty on the deed of transfer of ownership (2.5%) and real estate tax (ranges from 0.2% to 0.7% of the estimated value of the property, generally lower than the market value, across municipalities). Social security contributions vary by region, from 0% to 14.1%.

Since 2017, entities within the financial services sector are usually subject to a new special payroll tax. The tax rate is 5% and shall be calculated on the wage base. The tax is payable by companies where the employees spend more than 30% of their time on VAT-exempt financial services.

Other Domestic Resources [Norwegian Tax Administration - Skatteetaten](#)
[Doing Business Website](#), Consult the Doing Business website to obtain a summary of Norwegian taxes and mandatory contributions.

Country Comparison For Corporate Taxation

	Norway
Number of Payments of Taxes per Year	5.0
Time Taken For Administrative Formalities (Hours)	79.0
Total Share of Taxes (% of Profit)	37.0

Source: Doing Business - 2017.

Note: *The Greater the Index, the More Transparent the Conditions of Transactions. **The Greater the Index, the More the Manager is Personally Responsible. *** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action. **** The Greater the Index, the Higher the Level of Investor Protection.

ACCOUNTING RULES

Accounting System

Accounting Standards Norwegian entities with securities listed on a regulated market must prepare consolidated financial statements based on IFRS. The separate (standalone) financial statement does not have to be based on IFRS (except for certain financial service and insurance entities with separate regulations mainly based on IFRS), but may be prepared based on Norwegian GAAP or a simplified version of IFRS (mainly involving reduced disclosure requirements and certain exemptions from the recognition and measurement requirements related to intragroup transactions). However, if the entity does not have any subsidiaries/affiliates (i.e. consolidated statements are not prepared), the entity (company) financial statement must be prepared according to IFRS.

SMEs have the option to choose between standards developed by the Ministry of Finance and IFRS Standards as adopted by the EU. Full adoption of IFRS Standards for SMEs, initially aimed by the Norwegian Ministry of Finance, is currently put on hold.

Accounting Regulation [The Norwegian Institute of Public Accountants](#)

Bodies	The Financial Supervisory Authority of Norway Ministry of Finance of Norway
Accounting Law	The Norwegian accounting is governed by the Accounting Act of 1998 and Bookkeeping Act of 2004: Lov om årsregnskap (in Norwegian) and Lov om bokføring (in Norwegian).
Difference Between National and International Standards (IAS/IFRS)	IFRS Standards as adopted by the EU are required for domestic and foreign companies. The Norwegian accounting regulation, developed by the Ministry of Finance as one of the possible financial reporting frameworks for SMEs, is only marginally different from IFRS Standards.
Accounting News	Norwegian Accounting News from IAS Plus

Accounting Practices

Tax Year	The fiscal year begins on 1 January and ends on 31 December of the same year. A different financial year can be chosen if the parent company or the head office outside of Norway follows a non-calendar fiscal year.
Accounting Reports	Annual report, income statement, balance sheet, note to the accounts, cash flow statement (not for smaller companies) and auditor report (if an obligation to audit applies)
Publication Requirements	According to the Accounting Act, all limited liability companies have the duty to submit their annual accounts, the director's and the auditor's reports within one month after being adopted by the annual general meeting. To be published, the annual report must be deposited in the Register of Company Accounts . Branches of foreign enterprises also must file a copy of the entity's annual accounts, the director's report and the auditor's report (for the enterprise of which the branch is a part). These documents are public documents.

Accountancy Profession

Accountants	The Norwegian Institute of Public Accountants (Revisorforeningen) is the professional body for registered public accountants and state authorized public accountants in Norway. Membership in the institute is voluntary.
Professional Accountancy Bodies	The Norwegian Institute of Public Accountants The Institute of Internal Auditors Norway
Member of the International Federation of Accountants (IFAC)	Yes
Member of Other Federation of Accountants	The Norwegian Institute of Public Accountants is a member of Accountancy Europe .
Audit Bodies	Companies have to seek a statutory auditor to conduct an annual audit of the financial health of their organization. You can contact the Financial Supervisory Authority of Norway . Norwegian companies with operating income of less than NOK 5 million, a balance sheet total of less than NOK 20 million and an average of less than 10 man-labor years, may choose not to have the financial statement audited.

CONSUMPTION TAXES

Nature of the Tax	Value Added Tax (VAT) - MVA (Merverdiavgift)
Standard Rate	25%
Reduced Tax Rate	A 15% rate applies to food and beverages. An 11.11% reduced rate applies to supply of raw fish. A 12% rate applies to passenger transport, hotel accommodation, museums, amusement parks and cinema tickets, sport events. Certain goods and services are zero-rated, including exports, supplies to foreign ships and aircraft, books and newspapers and international transportation services.
Exclusion From Taxation	Exempt supplies include financial services, insurance, lease of residential property, the supply of works of art owned by the artist, medical services, education, real estate transactions and certain cultural and sporting events.
Method of Calculation, Declaration and Settlement	VAT applies at each stage of production and distribution. Businesses with annual turnover above NOK 50,000 must register for VAT purposes. VAT on inputs purchased by the registrants is deductible in the VAT accounts. VAT returns are generally filed bi-monthly, except for farmers and fishermen who file annual returns. Businesses with annual turnover of less than NOK 1 million may also elect to file annual returns. The Norwegian Customs and Excise is responsible for calculating and collecting the VAT on imported goods. For more information, refer to the Norwegian Tax Administration website .
Other Consumption Taxes	Customs duty is imposed on agricultural products, meat and certain textiles and clothing. Excise duties are imposed on alcohol, tobacco, motor vehicles, mineral oil products, electricity, waste, dangerous chemicals, chocolate, sugar and related products, beverages, beverage packaging and food production. Certain services are also subject to excise taxes, including: registration and use of vehicles, Emissions of NOx, sale of electricity, flight passengers.

INDIVIDUAL TAXES

Tax Base For Residents and Non-Residents	Resident status is obtained when a foreigner resides in Norway for more than 183 days in the course of any 12-month period, or 270 days in any 36-month period. If a Norwegian tax resident is moving from Norway, the individual will be considered resident until the first year he/she can prove that he/she did not spend more than a total of 61 days in Norway throughout the income year, and that the individual (or any closely related person) has not had a dwelling in Norway at his/her disposal. For an individual who has been a Norwegian resident for ten years or more, the above mentioned obligations have to be fulfilled for three consecutive years.
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Tax Rate

Municipal and National Tax Rate on Net Income	A combined municipal and national rate of 22% applies to net income
Personal Income Tax	Progressive rate from 0% to 16.2%.
Between NOK 0 and NOK 174,500	0%
Between NOK 174,500 and NOK 245,650	1.9%
Between NOK 245,650 and NOK 617,500	4.2%
Between NOK 617,500 and NOK 964,800	13.2%
Exceeding NOK 964,800	16.2%
Top marginal rate	38.2% (22% + 16.2%)

Allowable Deductions and Tax Credits General business expenses, losses incurred from the sale of securities and interest paid on debts are deductible. A personal deduction of NOK 56,550 is allowed for municipal taxation purposes (known as "*personfradrag*"). Charitable contributions to certain non-profit organisations are deductible up to NOK 40,000. Union dues are also deductible (capped at NOK 3,850). Both employers' and employees' contributions to various pension schemes may be deductible when certain conditions are respected. A loss or deficit arising during a business activity is generally deductible from other income in the year in which it occurs.

As an alternative to deduction for actual expenses, an individual taxpayer may claim a standard deduction - called minimum deduction ("*minstefradrag*") - amounting to 45% of the basis, between a minimum of NOK 4,000 and a maximum of NOK 100,800.

Special Expatriate Tax Regime Residents are subject to taxation on worldwide income while non-residents are taxed on Norwegian-source income. Generally, non-resident individuals are not be entitled to a foreign tax credit. A special tax rate apply to foreign artists and athletes (15% - "Foreign Artist Tax Act"). Social security exemptions are also provided for qualifying foreign citizens with short-term employment in Norway. Foreigners who become tax residents are entitled to a standard deduction of 10% of taxable salary, limited to NOK 40,000 for the first two tax assessments. In general, this standard deduction replaces all other deductions except the personal deduction and the minimum deduction. Please note that from 2019 this deduction is limited to foreign seafarers and shelf workers only.

Capital Tax Rate A wealth tax is levied by the state (0.15% for values exceeding NOK 1,500,000) and the municipality (0.7% for values exceeding NOK 1,500,000). Employees are liable to social security and pension contributions, at 8.2% of gross income derived from employment (5.1% for individuals under 17 or above 69 years of age; 11.4% for self-employed persons). Municipalities can levy property taxes, with rates varying between 2‰ and 7‰ of market value.

DOUBLE TAXATION TREATIES

Withholding Taxes Dividends: 0%/25% (for distributions to shareholders resident outside the EEA); Interest: 0%; Royalties: 0%

SOURCES OF FISCAL INFORMATION

Tax Authorities [Ministry of Finance of Norway](#) , Direct and Indirect Taxes
[Norwegian Tax Administration - Skatteetaten](#)
[Ministry of Finance of Norway](#)

Other Domestic Resources [Work in Norway - The Official Guide](#)
[Nordisk eTax](#)

Learn more about [Service Providers in Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Learn more about [Taxes and Accounting in Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Legal Environment

BUSINESS CONTRACT

General Observation	Obligations of the vendor and quality control must be stated clearly.
Law Applicable to the Contract	Norway has signed the Vienna Convention on International Contracts .
Advisable Incoterms	Most used terms are FOB and CIF .
Language of Domestic Contract	Norwegian, English
Other Laws Which Can Be Used in Domestic Contracts	The laws and courts of America, England and Switzerland provide fair justice and are understandable in English, which is likely to be accepted by your supplier.

INTELLECTUAL PROPERTY

National Organisations	The Industrial Property Office
Regional Organisations	No
International Membership	Member of the WIPO (World Intellectual Property Organization) Signatory to the Paris Convention For the Protection of Intellectual Property Membership to the TRIPS agreement - Trade-Related Aspects of Intellectual Property Rights (TRIPS)

National Regulation and International Agreements

Type of property and law	Validity	International Agreements Signed
Patent Patents Act (Act No. 9 of December 15, 1967) (consolidated version of 2016)	20 years	Patent Cooperation Treaty (PCT)
Trademark Trademarks Act (Act No. 8 of March 26, 2010) (consolidated version of 2015)	10 years. A trademark can be renewed for another 10 years for an unlimited number of times.	Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks
Design Designs Act (Act No. 15 of March 14, 2003, relating to Design Protection) (consolidated version of 2015)	5 years, renewable four times, for 5-year periods, for up to 25 years	

Type of property and law	Validity	International Agreements Signed
<p>Copyright</p> <p>Copyright Act (Act No. 2 of May 12, 1961, relating to Copyright in Literary, Scientific and Artistic Works) (consolidated version of 2015)</p>	<p>70 years, but varies depending on the type of product</p>	<p>Berne convention For the Protection of Literary and Artistic Works</p> <p>Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms</p> <p>Rome Convention For the Protection of Performers, Producers of Phonograms and Broadcasting Organizations</p> <p>WIPO Copyright Treaty</p> <p>WIPO Performances and Phonograms Treaty</p>
<p>Industrial Models</p> <p>Act No. 25 of May 31, 2013, amending Legislation on the Protection of Industrial Property Rights, etc. (Extract) (2013)</p>	<p>5 years, renewable four times, for 5-year periods, for up to 25 years</p>	

LEGAL FRAMEWORK OF BUSINESS

Equity of Judgments

Equal Treatment of Nationals and Foreigners	Foreigners can expect an impartial trial from the country’s judicial system.
The Language of Justice	Norwegian and Sami. Citizens can use either bokmål or nynorsk.
Recourse to an Interpreter	Yes.
Legal Similarities	Mixture of customary law, civil law system, and common law traditions. The legal system is generally based on written statutes, but with some influence of common law principles. Supreme Court renders advisory opinions to legislature when asked. Accepts compulsory International Court of Justice jurisdiction, but with reservations. Norway is a member of European Economic Area and is required to adapt EU legislation in most policy areas.

The Different Legal Codes

Foundation of the state, rights of individuals	The Constitution
Criminal Law	The Penal Code
Administration	Public Administration Act
Taxation	The Taxation Act
Environment	Environmental Protection Act, Nature Diversity Act
Company law	Limited Liability Companies Act, The Partnerships Act

Other Useful Resources	Ministry of Justice and the Police Web sites of Norwegian courts Online legal information
Country Guides	Jurist World Law U.S Congress Law Library Norway

Learn more about [Lawyers and Legal in Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

The Jurisdictions

The Supreme Court	Nation's highest court of justice. Gives final verdicts.
The Courts of Appeal	Court of second instance for appeal. Six appellate districts.
District courts	108 courts of first instance.
Special courts	Labour Court, The Industrial Disputes Tribunal, The Land Consolidation Courts.
Conciliation Boards	Located in each municipality. Mediates between disputing parties and is authorized to pronounce a verdict.

Court Officials

District Court judges	Civil cases are judged by one professional judge, who may be assisted by two lay judges. Criminal cases are judged by one professional judge and two lay judges or, in some cases, two professionals and three lay judges.
Courts of Appeal judges	A senior judge president and several appellate judges assisted by lay judges.
Supreme Court judges	Chief Justice and 18 other judges. Appointed by the King after nomination by the Ministry of Justice and the Police.

Learn more about [Legal and Compliance in Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

INTERNATIONAL DISPUTE RESOLUTION

Arbitration	Arbitration is recognized under Norwegian law as a legitimate method for settling disputes. The Norwegian Arbitration Act is based on the international standard.
Arbitration Law	Can be found here (in Norwegian).
Conformity to International Commercial Arbitration Rules	Party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.
Appointment of Arbitrators	Unless the parties otherwise agree, the Arbitral Tribunal will consist of three arbitrators.
Arbitration Procedure	The parties are required to exchange a claim and reply. Supplementation of claims is possible in the later stages, unless the Tribunal decides otherwise. Normally all claims

and points of dispute will be settled in the final award. The Arbitral Tribunal may decide to settle separate claims in separate awards. The parties are free to settle at any stage of the proceedings, and present such settlement for confirmation to the Tribunal. Awards should be in writing and signed by all members of the Tribunal. Ordinary courts cannot take a second look at the issues resolved.

Permanent Arbitration Bodies [Arbitration and Dispute Resolution Institute of the Oslo Chamber of Commerce](#) (Sectors Covered: General)

Learn more about [Lawyers and Legal in Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Reaching the Consumers

CONSUMER PROFILE

Consumer Profile	<p>The Norwegian population is ageing. The median age is 39.3 years and the population growth rate is 0.94%. More than 30% of the population is under 24 years old and 28.6% is over 55 years old. On average, a household consists of 2.17 people with 38.5% of households are people living alone, and 44% are couples with or without children. The size of the household decreases from year to year. There are about 102 men for every 100 women in Norway. About 82.2% of the population lives in urban areas while the south has a denser population due to the better climate and connectivity with Europe. Areas of concentration exist along the North Sea and at Skaggerak. The main city is Oslo, with 1.012 million inhabitants. The level of education is very high in Norway with 82% of adults aged 25 to 64 have a secondary education and 43% have gone on to university. Some 68% of the working population works in the private sector and public enterprises, 18.7% work in municipal government, 11.3% in central government and 1.7% in municipal county government. The sectors that employ the most are health, social, sales, construction, industry and education.</p>
Purchasing Power	<p>The GDP per capita PPP is approximately 639 638 NOK (75 504 dollars). The average salary is approximately NOK 547 320 per year. The purchasing power of Norwegians, which is among the highest in Europe, is slightly down, as the rise in wages has not offset inflation. Adjusted disposable income is approximately NOK 307 966 per capita per year. Consumption increased in 2017, then slowed in early 2018 and then decreased since July 2018. The Gini index is relatively low but income inequality is increasing. Men earn an average of NOK 581,040 per year, while women earn an average of NOK 506,040. The average salary of women has increased at a faster pace (3.2%) than that of men (2.7%). The trades that have the highest wages are managers while the intermediary professions, salesmen and farmers have the lowest wages.</p>
Consumer Behaviour	<p>Norway is a consumer society especially drawn to new products (especially new technologies). Consumers generally are willing to pay more for quality goods. Value for money matters more than low prices. Many consumers research products before buying them in stores or online. High prices in Norway is pushing some consumers to buy in Sweden while consumer confidence has been falling since early 2018 but remains higher than at the beginning of 2017. About 96% of the population has access to the internet with 63% of Norwegians say they buy online at least once a month. On average, the amount spent averages 220 euros. The main items purchased are shoes and clothing, books, electronics and beauty products. Consumers find both domestic and foreign products appealing. About 39% of internet purchases are products from another country (mainly China, the United States, Sweden and Germany).</p> <p>Consumers are generally loyal to national brands. Online, however, more than half say they are not loyal to the seller. Social networks are used as a source of information and Facebook is becoming increasingly saturated. Snapchat also has a high rate of penetration especially with young people with 23% of Norwegians use advertising blockers. In Norway, Sweden and Finland, about two thirds of the population shows concern about the use of personal data by companies.</p> <p>Norwegians are gradually adopting a more environmentally friendly mode of consumption. In particular, expenditure on food has decreased. Fruit and vegetable consumption is up, while meat and fish consumption is decreasing. Organic food consumption increased by 9% in the last quarter of 2018. Infant and child products are the most eco-labelled followed by dairy products. The second-hand market is booming,</p>

especially on the internet, for economic and ecological reasons. Some 25% of the products traded are furniture, followed by electronic and electrical appliances , recreational and leisure products. Norwegians generally have a positive opinion on the collaborative economy and believe that this benefits the consumer.

Household Consumption Expenditure

Sector	Percentage
Housing, water, electricity, gas and other fuels	22.0%
Transport	15.0%
Food and non-alcoholic drinks	12.0%
Culture and leisure	11.0%
Various goods and services	10.0%
Restaurants and hotels	6.0%
Furnishings, household equipment, everyday maintenance of the house	6.0%
Clothing and shoes	4.0%
Alcoholic beverages, tobacco and narcotics	4.0%
Health	3.0%
Communication	2.0%
Education	0.0%

Source: [OECD stats, 2016](#).

Consumer Recourse to Credit In Norway, the use of debit and credit cards is common and both methods of payment are accepted at most stores, hotels and restaurants. The level of household debt is among the highest in the European Union, and rising. It reaches 101.58% of GDP in 2017. Consumer credit has increased twice as fast as other types of loans. Total household debt outstanding at the beginning of 2018 is NOK 3 464 billion. Due to the strong expansion of consumer credit and related financial risks, the central bank has put in place regulations. Thus, in the coming years, the expansion should slow down.

Growing Sectors Recreational and cultural services, accommodation services, telephony, education, soft drinks, transportation services, food services, home and garden equipment, home textiles, tobacco, clothing and vehicles.

Consumers Associations [Forbrukerradet](#) , National Consumer Advice
[Forbrukertilsynet](#) , Consumer Authority

Population in Figures

Total Population: 5,314,336
 Urban Population: 82.2%
 Rural Population: 17.8%
 Density of Population: 15 Inhab./km²
 Men (in %) 49.6%
 Women (in %) 49.5%

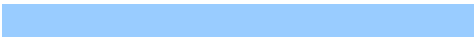

Natural increase: 0.71%
 Medium Age: 38.0
 Ethnic Origins: About 94.4% Norwegian (including 60,000 Sami people), 3.6% other European and 2% other (2007 estimate)

Population of main cities







Name	Population
Oslo	647,676
Bergen	275,112
Trondheim	184,960
Stravanger	132,102
Baerum	120,685

Source: [Statistics Norway](#), 2015 - Latest available data.

Age of the Population

Life Expectancy in Years	
Men:	80.9 
Women:	84.2 

Source: [United Nations, Population division, World Population Prospects: The 2009 revised population database](#).2009 - Latest available data.

Distribution of the Population By Age Bracket in %	
Under 5:	6.1% 
6 to 14:	12.7% 
16 to 24:	13.1% 
25 to 69:	57.7% 
Over 70:	10.4% 
Over 80:	4.5% 

Source: [United Nations, Department of Economic and Social Affairs, Population Division, Prospects 2010](#)- Latest available data.

Household Composition

Total Number of Households (in million)	2.1
Average Size of the Households	2.2 Persons
Percent of Households of 1 Person	39.8%
Percent of Households of 2 Persons	21.1%
Percent of Households of 3 or 4 Persons	21.8%

Percent of Households of 5 Persons and More	7.0%
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Source: *Trends in Europe and North America, The statistical yearbook of the Economic Commission for Europe 2008, UNECE, 2008 - Latest available data.*

Consumption Expenditure

Purchasing Power Parity	2017	2018	2019	2020 (e)	2021 (e)
Purchasing Power Parity (Local Currency Unit per USD)	8.64	8.92	8.90	8.89	8.87

Source: IMF – World Economic Outlook Database, 2015

Definition: Purchasing Power Parity is the Number of Units of a Country's Currency Required to Buy the Same Amounts of Goods and Services in the Domestic Market as USD Would Buy in the United States.

Note: (e) Estimated Data

Household Final Consumption Expenditure	2016	2017	2018
Household Final Consumption Expenditure (Million USD, Constant Price 2000)	207,693	212,343	216,462
Household Final Consumption Expenditure (Annual Growth, %)	1.1	2.2	1.9
Household Final Consumption Expenditure per Capita (USD, Constant Price 2000)	39,678	40,240	40,732
Household Final Consumption Expenditure (% of GDP)	45.5	44.8	n/a

Source: World Bank, 2015

Consumption Expenditure By Product Category as % of Total Expenditure	2016
Housing, water, electricity, gas and other fuels	22.0%
Transport	15.0%
Food and non-alcoholic beverages	12.0%
Recreation and culture	11.0%
Miscellaneous goods and services	10.0%
Restaurants and hotels	6.0%
Furnishings, household equipment and routine maintenance of the house	6.0%
Clothing and footwear	4.0%
Alcoholic beverages, tobacco and narcotics	4.0%
Health	3.0%
Communication	2.0%
Education	0.0%

Source: OECD Stats, Latest available data

Information Technology and Communication Equipment, per 100 Inhabitants	2012
Telephone Subscribers	116.8
Main Telephone Lines	29.5
Cellular mobile subscribers	116.8
Internet Users	95.0
PCs	62.9

Source: [International Telecommunication Union](#), Latest available data

MARKETING OPPORTUNITIES

Media in Which to Advertise

Television TV landscape in Norway continues to be dominated by NRK - the public broadcaster - as its three channels hold a market share of 39% (Katar TNS Norway). TV watching was on the decline until 2015 to fall from 82% in 2000 to 67%. This rate remained stable in 2016 (Norway Media Barometer 2017 - SSB). Correspondingly, TV advertising expenditure stagnates as it only grew by 0.4% between 2016 and 2017 to NOK 3.52 billion. TV advertising continues to have the highest expenditure, however, the gap with Internet advertising is narrowing steadily.

Main Televisions

- [NRK](#)
- [NRK 2](#)
- [TV Norge](#)
- [TV 2](#)
- [TV 3](#)

Press Norway has one of the highest newspaper readerships in the world and a multitude of national, regional and local newspapers (more than 230 newspapers in total despite the country's relatively small population). Most newspapers are privately-owned and openly partisan. The readership of print newspapers has been nonetheless on the decline as more and more people opt for digital subscriptions. Total readership of newspapers fell from 2.23 million to 1.7 million between 2013 and 2016 (Medianorway) while the number of digital subscriptions continues to rise constantly as 87% of Norwegians use digital news every week (Reuters Institute Digital News Report - highest rate among surveyed countries). 26% of these pay for online news which explains the success of paywall systems in the country. Traditional news providers (Amedia, VG) continue to dominate the digital media landscape.

Main Newspapers

- [VG](#)
- [Aftenposten](#)
- [Dagbladet](#)
- [Morgenbladet](#)

Mail Although marketing via Internet and other technologies is increasingly popular, consumers continue to value concrete and tangible brochures and marketing materials. Postnord (National postal service) offers distribution of addressed and unaddressed advertising campaigns throughout the country. Mail advertising recorded a slight decrease in 2017 by falling from NOK 789.8 million to NOK 779 million.

In Transportation Venues	<p>Advertising on transportation and public areas has been available for many years. Advertisements can be found on public buses, bus and railway stations and roadside billboards. Outdoor advertising had one of the highest rates of increase in expenditure in 2017 as it grew by 23.2% to reach NOK 552.7 million.</p> <p>Market Leaders: Reklame Service Morten i Kerr JCDecaux Clear Channel</p>
Radio	<p>Radio advertising has a significant impact in Norway and its revenue has risen considerably since 2013 (despite a slight decrease between 2015 and 2016) to reach NOK 739 million (Medianorway). However, radio listening has been decreasing steadily as the total number of listeners declined by 2.7% in the first half of 2017. More than 65% of Norwegians listened to radio during the same period (68.8% in the first half of 2016) and the average listening time remained stable at 125 minutes. (Radio.no) In 2017, Norway became the first country in the world to end national broadcast on FM and switch to digital radio. According to Kantar Media Digital Radio Survey (December 2017), radio listening on FM is as low as 14% as 85% of Norwegian households and half of cars have a DAB radio.</p> <p>Main Radios NRK P1 P4 Radio Helge Norge Radio Norge</p>
Web	<p>With an Internet penetration rate as high as 98%, Norway has a quite dynamic digital media market. Not only Norway leads the world in digital subscriptions but it also has a vibrant online shopping market (65% of the total population). Internet advertising has been on the increase constantly and is narrowing the gap with TV advertising (largest media type by expenditure). Total Internet advertising reached NOK 3.25 billion in 2017 (8.8% year-on-year increase). Within Internet advertising, display advertising stood at NOK 743.7 million while mobile and search advertising reached NOK 212 million and 591.2 million respectively. Social media advertising had the highest increase rate (all media types combined) as it grew by 32% to reach NOK 622.6 million in 2017.</p> <p>Market Leaders: Good Morning Unfold MK Norway Feed</p>
Main Advertising Agencies	<p>McCann Norway Per Høj MK Norway Hyper Wavemaker</p>

Main Principles of Advertising Regulations

Beverages/Alcohol	<p>Act on the sale of alcoholic beverages (Alcohol Act) imposes a strict ban on advertising for alcoholic beverages on TV, radio, outdoor market and cinema. Online advertising for alcoholic beverages on websites that are open to the public is also banned,</p>
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nonetheless except for restricted websites (with a password) that are only accessible to licensees or other employees in the industry. Media's coverage of alcoholic beverages is considered editorial material and as such exempt from advertising ban.

Cigarettes

Act No. 14 of 9 March 1973 relating to the Prevention of the Harmful Effects of Tobacco (Tobacco Control Act) is the main legal source on tobacco advertising in Norway and imposes a ban on all forms of direct and indirect forms of tobacco advertising. All forms of tobacco sponsorship is prohibited. Only point-of-sale display of tobacco products is allowed.

Pharmaceuticals/Drugs

Chapter VII of the Medicinal Products Act of 4 December 1992 and Chapter XIII of Medicinal Products Regulation of 18 December 2009 regulate advertising of pharmaceutical products in Norway. Companies do not need prior approval from public authorities, however, they are required to train their sales representatives in order to communicate scientific information concerning the product. Norwegian Medicines Agency can demand an advertising to be withdrawn if it is in breach of aforementioned regulation. Advertising of prescription drugs is banned.

Other Rules

Advertising that targets children is prohibited. Advertising political or religious views is banned in television broadcasts. Advertising weapons and toy weapons is banned. Advertising may not conflict the equality between the sexes or be derogatory. Advertising may not be incorrect or misleading or run counter to good business practice. There is a general ban on advertisements 10 minutes before and after children's programs in television or radio.

As a member of the European Economic Area (EEA), Norway is obliged to harmonise its laws with EU directives and, as such, has converged its main advertising law, Marketing Control Law, with the EU Unfair Commercial Practices Directive.

Use of Foreign Languages in Advertisement

There are no specific rules concerning the use of language in advertisements. Advertising in English (especially on TV, with or without subtitles) is quite common in Norway, as in other Scandinavian countries.

Organizations Regulating Advertising

[The Marketing Control Act](#)
[The Consumer Authority](#)
[The Consumer Council](#)

Learn more about [Sales in Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Selling

MARKET ACCESS PROCEDURES

Customs Procedures

Import Procedures	<p>The Norwegian Customs Authority collects import duties and taxes on foreign goods. A commercial invoice plus a bill of lading or an airway bill are the required general import documentation. A certificate of origin is not required unless specified. For long-term contracts or expensive shipments, an official ruling is needed.</p> <p>Non-agricultural goods entering into the territory must adhere to customs formalities (summary declaration). This declaration must be carried out by the person bringing the goods to the territory. In the case of non-EU goods this procedure could take:</p> <ul style="list-style-type: none"> 45 days in the case of goods carried by sea; 20 days in the case of goods carried other than by sea. <p>For more information, please contact the Norwegian Excise and Customs Authority.</p> <p>The Union Customs Code was adopted and entered into force in October-November 2013. Check the EU's Customs Union website periodically for updates.</p>
Specific Import Procedures	<p>Importation of certain textile items, alcoholic beverages, pharmaceuticals, fish nets and raw materials for the manufacture of nets, tobacco, arms, ammunition, live animals, animal products, fruits, vegetables and other plant parts requires additional documentation.</p>
Importing Samples	<p>Norway is a member of the international convention to facilitate the importation of commercial samples and advertising matter. Samples and advertising materials without commercial value are duty and tax free if they are useless for sale (accompanied by a ATA Carnet) . These samples must be used in the country for demonstration purposes only. They must also be declared on arrival in the country. Samples for obtaining orders in Norway may be temporarily exempted customs fees if a bond is posted upon entry. Upon re-exportation, this bond is cancelled.</p>

Customs Duties and Taxes on Imports

Customs threshold (from which tariffs are required)	<p>Product value up to NOK 350 are exempt of duty and VAT.</p>
Average Customs Duty (Excluding Agricultural Products)	<p>Norwegian tariffs for industrial goods are low, usually between 3% and 6%. Goods imported from an EEA country are free from import duty. Any import of products is subject to Value Added Tax, which is currently levied at 25% (standard rate, though four other rates are in place). The VAT is deductible if the goods are intended for use in a VAT chargeable business. Before sending a shipment of considerable value, it might be wise to obtain an official ruling on customs treatment from the Norwegian Customs and Excise Authority.</p>
Products Having a Higher Customs Tariff	<p>Special duties and other duties and fees are levied on imported alcohol, tobacco, soft drinks, batteries, sugar, candy, foodstuffs, cassettes, cars, boat motors, lubricants, other motor vehicles, oil, gas coal, other petroleum products, plants and parts of plants and radio and TV receivers and accessories. Tariff rates for agricultural products are considerable. The Customs Tariff can be found on the Norwegian Customs and</p>

	Excise webpage.
Preferential Rates	Norwegian Customs Tariff 2017
Customs Classification	Harmonized custom system.
Method of Calculation of Duties	When the country exporting goods to Norway is not part of the European Union or European Economic Area, customs duties are calculated ad valorem on the CIF value of the goods.
Method of Payment of Customs Duties	By electronic payment system or by credit card.
Import Taxes (Excluding Consumer Taxes)	None.

Labeling and Packaging Rules

Packaging	Norway follows the EU regulations regarding packaging. Outer containers should bear the consignee's mark and port mark and be numbered unless the contents can be otherwise easily identified. All pre-packed food must be clearly marked with its name, composition, weight and volume, the length of time it can be kept, any appropriate instructions about storing, and the final date of consumption. All products must show the name and address of the producer and importer. Questions regarding food products and food packaging regulations may be directed to the Norwegian Food Safety Authority .
Languages Permitted on Packaging and Labeling	Labeling has to be in a language easily understood by consumers (Norwegian). Multi-language labeling is allowed.
Unit of Measurement	All imported goods as well as transport documents must show metric units of measurement and weight. Dual labeling is acceptable until end of December 2009.
Mark of Origin "Made In"	Ranges of products require a mark of origin. "Made in" - mark should be stamped on the product or shown on the label.
Labeling Requirements	Norway, as an EEA Country, applies EU product labelling requirements. Foreign agricultural service U.S mission to the European Union Internet page has an extensive list of labeling requirements. In addition to the mandatory EU and other voluntary schemes, the use of national voluntary schemes for labeling and marking could be appreciated by local customers. The use of an eco-label is determined by a strict evaluation of certain criteria which is reviewed every three to five years. The cost of an eco-label authorisation is between €300 and €1300. The difference depends on which type of test is needed. After approval, there is an annual fee equal to 0.15% of the annual sales but the minimum fee is €500 and the maximum is €25000. Carbon emissions criteria could be included.
Specific Regulations	Products must be labeled if more than 2 % of any ingredient is derived from biotechnology. Foreign agricultural service U.S mission to the European Union Internet page has information about specific regulations.

DISTRIBUTING A PRODUCT

Distribution Network

Types of Outlet

Supermarkets	Typical supermarkets. In cities in central locations. 99% of food in Norway is sold in the supermarkets. Coop , Kiwi , ICA Ahold , Spar
Shopping Centers	Traditional shopping centers with several shops. In largest cities. Olav Thon Gruppen , Amfi Eiendom
Specialized stores	Stores and chains of shops that specialize to one type of products: clothing, electronics, books, building supplies, etc. Dressmann , Elkjop , Ark , Biltema
Pharmacies	The sector is highly consolidated and the three largest chains control most of the market. Alliance Boots , Apokjeden , Norsk Medisinaldepot

Evolution of the Retail Sector

Growth and Regulation In 2016, turnover for the more than 40,000 retail stores in Norway totalled NOK 475 billion (€50.3 billion), while the number of people employed in the sector was over 350,000. The wholesale segment accounted for 55% of total trade activities while the retail sector and online trade represented respectively 29% and 1.1% of total turnover.

Norwegian retail trade is focused around main commercial centres, such as Oslo, Bergen, Trondheim and Stavanger. Mergers or close collaborations between two or more companies have driven the structural change over the past few years, mostly in the grocery sector. Retailers aim to enlarge their operations in order to gain more negotiating power at the expense of producers and wholesalers. Because of the small domestic market, Norwegian retailers are small compared even with other Scandinavian countries, and are not very active internationally.

Price levels in Norway are infamously high: groceries cost 50% more than the EU average. Prices of alcohol and tobacco are even higher.

Market share The Norwegian distribution system is quite organised and consolidated. It is characterised by a small number of intermediaries, sensible margins, a diversity of trends and dynamic professional syndicates. Distribution chains dominate the market, and some chains have strengthened their positions by taking on the role of wholesaler as well, such as NorgesGruppen. The German discount chain Lidl decided to pull back from Norway and sell all its shops to the Rema 1000 chain after poor results. The ICA group from Sweden also sold in 2015 its company in Norway to Coop.

The principal Norwegian stores are:

- Norges Gruppen with over 2,000 retail outlets and a 42.3% market-share with a turnover of €8.2 billion in 2015. It is Norway's largest trading enterprise and the leader in the distribution market.
- Coop with over 1,000 retail outlets, a 29.4% market share, and turnover of €3.2 billion.
- Rema 1000 with over 500 retail outlets, a 24.4% market share, and turnover of €4.2 billion
- Bunnpris with 3.9% market share

Shopping centres have also had great success, with turnover steadily increasing and expected to continue in four principal zones: Oslo, Akershus, Østfold and Vestfold.

Retail Sector Organisations [The Enterprise Federation of Norway \(formerly the Federation of Norwegian Commercial and Service Enterprises\)](#)

E-commerce

Internet access	Out of a population of around 5.1 million, Norway has one of the highest internet penetration rates in the world, at 98%. Smartphone penetration is also high, at 97% of internet users. According to a survey published on e-Marketer, 59% of Norwegians say that they have their smartphone within reach for at least 20 hours per day. When dividing internet users by their age, 100% of 16-24 year olds, 99% of 25-34 year-olds and 100% of 35-44 year-olds connect to the internet on a daily basis. Norwegians between 45-54 years and over 55s show a 90% and 82% daily penetration rate, respectively. The most popular web search engines in Norway are Google (93.2%), Bing (5%) and Yahoo (1%).
E-commerce market	According to research by PostNord , the e-commerce industry in Norway was worth EUR 4.9 billion in 2017, of which 16% was represented by cross-border transactions. E-commerce is well developed in the country, as shown by the fact that around 80% of leading retailers have an ecommerce app and a mobile-optimized ecommerce website (eTail Nordic). The most visited web-shops in Norway are eBay, Komplett, Prisjakt, and Amazon, while Dustin Home is the leading online retailer. One of the factors that are leading the growth of e-commerce in Norway is the quality of IT and infrastructure, which make it easy and quick to deliver orders.
E-commerce sales and customers	According to data from Statista, there are currently 3.17 million e-commerce users in Norway (out of a population of 5.1 million). Males shop online more than females, a trend that should remain constant in the coming years (estimates for 2020 show an increase in the number of e-buyers of around 260,000). Fashion is the most popular online shopping category, followed by media, home electronics and beauty & health care. The Norwegian average purchase amount per e-commerce consumer is high, at EUR 220 per month. Most consumers purchased online 3-4 time/month, with people between 15 and 24 years that tend to purchase online mainly via mobile device. Two-thirds of Norwegians made online purchases during an average month in 2016, and of these 40% made cross-border purchases. Chinese, UK, US, and Swedish online stores attract the most Norwegian consumers who shop abroad (PostNord). More than 20% of Norwegians choose to shop online because it is perceived as more price convenient when compared to shopping in physical stores. In fact, a key factor for online stores to be successful is to display the total price and information in a simple and clear way. Two-thirds of online consumers in Norway prefer to pay by card, whereas one in seven prefer to pay using PayPal (E-Shop World).
Social media	83% of people in Norway are active social network users. This market is led by Facebook, Pinterest and Twitter. There are still discrepancies in the use of social medias according to the age: according to a survey by PostNord, in the group between 16-24 years almost 96% of the respondents are social media users. This ratio gradually diminishes as the age grows (for example, in the age group 55-64 years only 71% use social media). In 2017, there were 3.7 million Facebook users in Norway, while Instagram had 1.9 million users. Of this, 55% are female and almost 80% are aged between 18 and 54. More than 50% of Norwegian smartphone users are on Snapchat.

Direct Selling

Evolution of the Sector	The World Federation of Direct Selling Associations (WFDSA) 2017 report shows retail direct selling in Norway grew 15.7%, was valued at USD 184 million, and involved 87,200 independent representatives (80% of which were female according to SELDIA). Euromonitor International highlights Norway's aggressive growth in direct selling and offers optimism on its future. Consumer health was the most important product
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category (vitamins and dietary supplements), which are also marketed through online platforms to showcase products and refer clients with direct selling agents. Lesley Cosmetics used its Mary Kay brand to lead direct selling in 2017. Forever Living Products Scandinavia, on the other hand, had the largest value leap in 2017 to crown a three-year strong expansion (its shares have more than doubled since 2014).

The [Norwegian Direct Marketing Association \(NORDMA\)](#), [SELDIA](#) and [Direct Selling Europe](#) promote best practices in the industry.

Commercial Intermediaries

Trading Companies

Type of Organization	It is important to note that Norway is a major importer of consumer goods; in fact, one out of every two products is brought in from abroad. In the food sector, importers would be well advised to contact the four main retail chains such as Norges Gruppen AS, ICA and Reitan Gruppen AS. Importing such products usually happens through wholesalers which are controlled by chain stores. Norwegian retailers also call on these wholesalers in order to replenish their stocks. Bigger retailers place their orders directly with foreign manufacturers. A certain number of partnership agreements have been signed with some foreign companies. Still, the typical Norwegian trading company operates mainly in the domestic market.
Main Actors	Reitan Gruppen AS , NorgesGruppen and ICA are the main actors.

Wholesalers

Type of Organization	Most major distributors and importers are headquartered in the Oslo region, but may have sub-agents in other areas.
Main Actors	Reitan Gruppen , NorgesGruppen , Coop , Bertel O. Steen

Useful Resources	Kvasir - Business Search Engine (in Norwegian) Association of Machinery Wholesalers
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Using a Commercial Agent

The Advantages	The most common ways to operate in the Norwegian market is either through agents or distributors. The use of a commercial agent is recommended and may be a practical necessity. Having a good local business partner is a great asset because local representatives are useful in understanding Norwegian cultural, technical and legal conditions. They are also useful in introducing the product or the service to a wider network of customers and providing support and after-sales service if necessary. The legal status of commercial agents is the same as in European Union. The initial and fixed costs of entering the market are low compared to setting up a commercial unit.
Where to Be Vigilant	You should choose the agent carefully. An unsatisfactory partner can have a negative impact to one's business far into the future. The agent should be chosen for his motivation to represent the company, the quality of his customer network and his or her expertise. The agent should have enough resources for successful representation. It's important not to become dependent of the agent. Company should ensure good back-up and supervision. When entering into an agreement governed by Norwegian law, it's wise for a foreign company to obtain professional legal assistance. Additional information can be obtained by contacting The Federation of Norwegian Commercial Agents .

Elements of Motivation	The prospect of doing more business together in the future in case of meeting certain conditions.
The Average Amount of Commission	The parties are free to determine the size of commission in their individual agreements. If the parties have not agreed on the level of remuneration, the agent is entitled to the commission that is customary for the goods in question in the region where the commercial agent is operating.
Breach of Contract	If the commercial agent fails to fulfill his obligations, the counterpart is entitled to claim compensation for any resulting losses. This shall not apply if the commercial agent can prove that failure is not due to error or negligence. The Act on Commercial Agents and Commercial Travelers (Agency Act) can be found here .
Finding a Commercial Agent	Federation of Norwegian Commercial Agents

Learn more about [Traders, Agents in Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Setting Up a Commercial Unit

The Advantages	The process of establishing a Norwegian company is relatively simple and generally free of restrictions: There are only a few formal requirements and costs are low. It is an advisable option, if one is interested in having a long-term presence in the Norwegian market. You have direct access to your customers, who often favor doing business directly with the counterpart. Knowledge of the business also stays in the company.
Where to Be Vigilant	Norwegian employment legislation encompasses a wide variety of issues, and is perhaps more strict than in many other European countries.
Different Possible Forms of Settlement	
A Representative Office	Finding a local representative with close established contacts with the public authorities and established customers is one important key to success.
A Branch Office	Branch of a foreign company (filial av utenlandsk selskap) is treated as a corporation and is subject to the same privileges and responsibilities. This means that a branch can conduct full business transactions and carry out any activity included in objectives of the main company. It is easier and less expensive to establish and close down than a subsidiary but does not form a separate legal entity making the parents fully liable for all of its obligations. Branches have to be registered at the Brønnøysund Register Centre . The fee for publication in the official Norwegian Gazette is (US 750). Requirements for bookkeeping, etc, are the same as those for Norwegian companies. Branches are also required to have an annual audit of their accounts if the prior year's turnover exceeded NOK 5 million. The Audit should be done by a State Authorized Public Accountant or a Registered Auditor. There is no equity investment requirement or requirements for a separate board of directors. Agents and distributors are very useful when carrying out business in Norway. All franchises must follow local legal framework for enterprises and the EEA (European Economic Area) framework. It could be costly due to the condition of the property, labor and narrow labor markets.
A Company	Setting up a subsidiary may require a little more time, effort and expenses, but the procedures are straightforward. Bedin.no is an excellent resource for anyone interested in starting a company in Norway.

Company is formed when the shareholders sign a memorandum of association and select the auditor and the Board of Directors. The Company has to be registered with the [Central Coordinating Register for Legal Entities](#) at the [Brønnøysund Register Centre](#). The founders are personally liable for obligations incurred by the company until it is registered.

Limited liability companies are required to have a Board of Directors. It is important to note that if a company has over 30 employees and does not hold a corporate assembly, the employees have the right to representation on the Board of Directors. At least half of the members of the Board of Directors should be citizens and residents of EEA countries or be resident in Norway.

Franchising

Evolution of the Sector Franchising is increasingly popular, although public knowledge about it is still somewhat limited. Most franchising systems (about 75 %) are Norwegian, but there are several international chains (Avis, McDonald's, 7-eleven). Overall there are about 250 franchising concepts in Norway today. All franchise systems in Norway are required to act in accordance with the Norwegian legal framework for business enterprises. They also have to operate in line with the framework of the EEA, which is harmonized with EU legislation. Here franchising is exempted from the competition act through directive 4087/88. There are no big obstacles for starting a franchising business in Norway.

There are some challenges in establishing a franchise concept in Norway :

- public knowledge about franchising is relatively poor, and though there have been attempts to establish franchise conferences in Norway to better educate the public and potential franchisees
- Very few central marketplaces for potential franchisees to meet, so most of the business opportunities are presented through newspaper and magazine advertisements, the Internet, or facilitated meetings
- Norway has a limited market size with 5.1 million people spread over large geographical area ; Franchise systems in Norway also face high costs of for example labor and property rental and a tight labor market
- Difficulties for potential franchisers to find financing in Norway

Some Big Franchises [Burger King Norge](#), fast food
[Space World](#), electronic products
[Trophegen Zoo](#), pets
[Nikita](#), hair style
[Brandstad](#), clothing

For Further Information [Norway Franchise Association](#)
[Ministry of Trade and Industry](#)

Finding Assistance

Export Trading Companies [Norwegian Trade Portal](#)
 Recommended Resource [Norway Trade Portal](#)

Learn more about [Sales in Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Buying

CUSTOMS PROCEDURES

Export Clearance	<p>The exporter presents the goods, his export declaration and, when necessary, his export authorization or license at the customs office responsible for the place where he is established or where the goods are packed or loaded for export.</p> <p>Later, the goods and a copy of the export declaration are presented to the customs office of exit, which controls that the goods presented correspond to those declared and supervises the physical departure. More information can be found at the Norwegian Customs and Excise Authority Web Pages.</p>
Necessary Declaration	Details submitted will include the origin of the goods, the country to where the goods are being sent, commodity codes, Customs Procedure Codes and values.
Restrictions	Armaments, certain kinds of electronics and certain agricultural goods which are deemed to be of strategic importance, are subject to export regulations and require approval. Otherwise there are no restrictions or required licenses.
Export Taxes	No export taxes.

INDUSTRIAL AND MANUFACTURING PROFILE

Type of Production	<p>Industry accounts for 35% of the GDP (while services account for 63.2% and agriculture for only 1.8%). Oil and gas field machinery, food processing, offshore industry, fishing, shipbuilding, metals and mechanical engineering are the most significant forms of industry. Of the 50 largest companies in Norway, 10 are oil companies and numerous others are associated with the offshore industry.</p> <p>Mechanical engineering is a major sector in terms of turnover, number of employees and exports. The sector has about 4,000 firms and produces about 6% of the GDP. The forest industry employs over 20,000 people and is a major exporter. The biggest companies are Moelven and Norske Skog. Food processing industry produces about 2% of the GDP and mostly sells its products in domestic markets. Firms are mostly small or mid-size. The metal industry is dominated by few big corporations, such as HydroStatoil, Elkem and Fesil, and exports over 80% of its production.</p> <p>Norway is one of the leading countries in the world in shipbuilding. Norwegian corporations have a 25% market share in cruise ship production and a 20% market share in the production of liquefied gas tankers and chemical tankers. 30% of all publically traded shipping companies in the world are listed in the Oslo stock exchange.</p>
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Type of Manufacturers

Original Equipment Manufacturers	Norway spend 1,75% of GDP on research and development. Original equipment manufacturing in the energy sector, technical sector and in maritime equipment.
Original Design Manufacturers	There are some original design manufacturers, mainly in the technical sector.
Subcontractors	Subcontractors for specific jobs are hired on a regular base. They are used particularly in energy sector (oil- and gas field projects), construction and also in the service sector.

Useful Resources [Norwegian Industry](#)
[Purehelp - Business Search Engine](#)

IDENTIFYING A SUPPLIER

Business Directories

Multi-sector Directories [Gule Sider](#) - Norway's Yellow Pages.
[Largest Companies](#) - Database of the largest Nordic companies.
[Nordicnet](#) - Industry's trade engine for the Nordic countries.
[Yellow Pages](#) - Find a business in Norway.

Marketplaces

Domestic Marketplaces [Norge Online](#)
[Nortrade - Norwegian Trade Portal](#)

Regional Marketplaces [Consult the regional Norwegian chambers of commerce web pages](#)
[Oslo Technopole - Business in Oslo Region](#)

Other Useful Resources

Trade Agencies and Their Representations Abroad [Oslo Chamber of Commerce](#)
[Ministry of Trade, Industry and Fisheries](#)
[Innovation Norway](#)
[GIEK \(the Norwegian Export Credit Guarantee Agency\)](#)
[The Official Site of Norway](#)

Fairs and Trade Shows [Norway Trade Fairs](#)
[Exporama](#)
[Stavanger Forum](#)

Learn more about [Service Providers in Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

CONTROLLING THE QUALITY OF THE PRODUCTS

Quality Control Organizations [Norwegian Food Safety Authority](#)
[Standards Norway](#)

ORGANIZING GOODS TRANSPORT TO AND FROM NORWAY

Main Useful Means of Transport Sea transport is the dominant form of international transport: about 90 % of freight volume to and from Norway is done by shipping.

Port of Oslo is Norway's largest cargo port and the main gateway for containers and passengers. The port is located at the end of the Oslo Fjord with good transport connections to the rest of the country. Cargo throughput of the port of Oslo was 5.7 million tons in 2011.

Road transport accounted for more than 80% of inland freight transport within Norway in 2013 and the remainder occurred by rail. The road and rail infrastructures are mostly in very good condition.

A list of Norwegian cargo agents can be found [here](#).

By Sea

Ports	Port of Oslo Port of Bergen Port of Stavanger
Transport Professionals	Sea Cargo Green Reefers The Grieg Group Farstad Shipping
Government Transport Organisations	Norwegian Coastal Administration Norwegian Ports Federation

By Air

Airports	Oslo International Airport (Gardermoen) Bergen Airport Stavanger Airport
Transport Professionals	SAS Cargo Jetpak
Government Transport Organisations	Avinor is a state-owned company under the Norwegian Ministry of Transport and Communication responsible for the state-owned airports.

By Road

Transport Professionals	DHL Norway TNT Norway Schenker Norway Nortrail Box
Government Transport Organisations	Norwegian Public Roads Administration

By Rail

Transport Professionals	Cargonet - primary freight train operator. Hector Rail
Government Transport Organisations	Norwegian government agency for railway services

Learn more about [Sourcing in Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

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Operating a Business

LEGAL FORMS OF COMPANIES

Aksjeselskap, AS (Limited Company)	Number of partners: One or more with no maximum. Capital (max/min): NOK 30,000 Shareholders and liability: Liability is limited to the amount contributed.
Allmenne aksjeselskap, ASA (Public Limited Company)	Number of partners: One or more with no maximum. Capital (max/min): NOK 1 million Shareholders and liability: Liability is limited to the amount contributed.
Ansvarlig selskap med delt ansvar, DA (General Partnership w. shared liability)	Number of partners: Two or more with no maximum. Capital (max/min): No minimum capital. Shareholders and liability: Unlimited, but each owner is responsible for the share of debt corresponding to his/her share of the ownership
Ansvarlig selskap, ANS (General partnership)	Number of partners: Two or more with no maximum. Capital (max/min): No minimum capital. Shareholders and liability: Liability is unlimited.
Enkeltmannsforetak (Sole proprietorship)	Number of partners: Only 1 person. Capital (max/min): No minimum capital. Shareholders and liability: Liability is unlimited.
Enterprises Federation	The Confederation of Norwegian Business and Industry The Enterprise Federation of Norway (formerly the Federation of Norwegian Commercial and Service Enterprises)
Find a Company or a Financial Report	Brønnøysund , Register Centre Register Authority

BUSINESS SETUP PROCEDURES

Setting Up a Company	Norway
Procedures (number)	4.00
Time (days)	4.00

Source: *Doing Business*.

For Further Information	Consult Doing Business Website , to know about procedures to start a Business in Norway. Trade Register
The Competent Organisation	Brønnøysund Register Centre maintains open annual accounts on all Norwegian companies.

Recovery Procedures

Principle	The Bankruptcy Act and the Creditors Recovery Act are the main Norwegian insolvency laws. If the equity of a company is less than 50 % of registered share capital or otherwise seems to be less than what is required, the Board of Directors is required to take action.
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Bankruptcy proceedings may be initiated if applied by the debtor or an unsecured creditor. The applicant must show that the debtor is insolvent (unable to pay debts as they fall due) and insufficient (debtors' liabilities exceed his assets). In bankruptcy proceedings all the debtor's assets to which the creditors have access are confiscated and liquidated for distribution among the creditors. The debtor loses control of these assets from the time of application for bankruptcy. The bankruptcy is publicized and registered in public registries.

Minimum Debt-to-Capital Ratio
Triggering Liquidation

No.

Bankruptcy Laws

[The Bankruptcy Act](#) and [Norwegian Creditors Recovery act](#).

Reorganization and Rehabilitation Laws

Debt reorganisation proceedings may only be initiated with the consent of the debtor. The debtor must be able to demonstrate that he is insolvent but not likely to obtain a composition with his creditors. If an application for debt reorganization proceedings is granted, it will generally stay a bankruptcy application for a period of three months, if it's not supported by at least three unsecured creditors, who also represent at least 40 % of the claims.

THE ACTIVE POPULATION IN FIGURES

	2012	2013	2015
Labour Force	2,645,000	2,707,000	2,777,000

Source: CIA - The World Factbook

	2015	2016	2017
Total activity rate	64.87%	64.78%	64.72%
Men activity rate	63.93%	64.09%	64.24%
Women activity rate	61.18%	61.13%	61.10%

Source: ILO, Laborstat - Yearly Statistics

Employed Persons, by Occupation (% of Total Labour Force)	2015
Human health and social work activities	19.8%
Wholesale and retail trade; repair of motor vehicles and motorcycles	13.6%
Manufacturing	8.6%
Education	8.6%
Construction	7.8%
Public administration and defence; compulsory social security	6.2%
Professional, scientific and technical activities	5.9%
Transportation and storage	5.5%
Administrative and support service activities	4.2%
Information and communication	3.8%

Employed Persons, by Occupation (% of Total Labour Force)	2015
Accommodation and food service activities	2.9%
Mining and quarrying	2.6%
Arts, entertainment and recreation	2.2%
Financial and insurance activities	2.0%
Agriculture, forestry and fishing	2.0%
Real estate activities	1.0%
Electricity, gas, steam and air conditioning supply	0.6%
Water supply; sewerage, waste management and remediation activities	0.5%

Source: *ILO, Laborstat - Yearly Statistics*

For Further Statistics [Statistics Norway](#)

For Further Information [International Labor Organisation's \(ILO\) page on Norway](#)

About the Labour

Market

WORKING CONDITIONS

Opening Hours

Legal Weekly Duration	35.5 hours for shift workers and 37.5 hours for others. This includes a half an hour lunch break.
Maximum Duration	Allowed overtime per year, week and day is strictly regulated. Overtime is limited to 10 hours per week and 25 hours in a four-week period. Yearly overtime for an employee cannot be over 200 hours. Maximum length of a single work-day is 13 hours. In exceptional cases, and after approval by the authorities, more overtime can be used.
Night Hours	Night hours are between 9 pm and 6 am. Night work is permitted only for defined activities that cannot be performed during day time.

Working Rest Day Weekly rest day is Sunday. Working on Sundays is allowed only by special permission or agreement with a labor union.

Paid Annual Vacation Legal minimum is four weeks plus one day of continuous holiday (25 working days off). Employees age 60 and older are entitled to have at least five weeks of vacation. It's a common practice that high-level employees get 31 days off.

Retirement Age Official retirement age is 67, but early retirement is allowed at 62. Employees have the right to continue working until the age of 70.

Child Labour and Minimum Age For Employment 15 years.

Informal Labour Market In 2001 undeclared work amounted to approximately NOK 11 billion.

THE COST OF LABOUR

Pay

Minimum Wage	No minimum wage exists.
Average Wage	According to the OECD data, the average wage in 2017 is NOK 45 343 per month.
Other Forms of Pay	
Pay For Overtime	40%. However, in practice, many employees get 50%.
Pay For Rest Days Worked	Working on Sundays is allowed only in special cases. Compensation may vary according to collective or regional agreements.
Pay For Night Hours	Night work is permitted only in specially defined cases. Pay may vary according to collective or regional agreements.
Pay For Overtime at Night	Night work is permitted only in special defined cases. Pay may vary according to collective or regional agreements.

Social Security Costs

The Areas Covered	All residents in Norway are covered by the National Insurance Act. This national insurance scheme covers unemployment benefits, medical treatment, sickness benefits, maternity benefits, child benefits and support during the illness of children and pensions. National insurance is financed by contributions from employers, employees and the Norwegian government.
Contributions	Contributions Paid By the Employer: Varies regionally between 0 and 14.1%, with the distribution skewed closely toward the upper end. Contributions Paid By the Employee: 8.2% gross wages. This contribution is not required when the salary is less than NOK 54 650 per year.
Competent Organization	Norwegian Labour and Welfare Administration

MANAGEMENT OF HUMAN RESOURCES

Recruitment

Method of Recruitment	Usually an advertisement is placed in the classified advertisements of the daily newspapers. Largest newspaper for recruitment ads is Aftenposten. Aftenposten's ads are also available in Internet at www.finn.no/jobb (in Norwegian). Aspiring candidates can call for more information and send their CV accompanied by a letter after which a number of candidates are selected for an interview. Usually majority of the vacancies are also listed in the Internet.
Recruitment Agencies	The Public Employment Service is available throughout the country and widely used. The number of private recruitment agencies is limited, although increasing. Manpower and Adecco are the largest recruitment and temping agencies.
Recruitment Websites	The Public Employment Service Manpower Norway www.finn.no/jobb (in Norwegian) MatchWork Norway Adecco Norway Norges Vikar Randstad

The Contract

Type of Contract Legal clauses regulate employment contracts and to a lesser degree collective agreements and individual negotiations. The terms of employment contracts are rather rigid.

Breach of Contracts

Retirement	Retirement age is 67, but early retirement is allowed at 62.
Dismissals	Termination of employment contracts is extensively regulated in The Working Environment Act . Minimum notice period for termination and dismissal varies from one to six months based on the period of employment and the age of the employee. The employer is obliged to discuss with the labor union if a member of the union is about to be given notice due to economic or personal reasons.
Other Possible Methods	To be legal, dismissals must be based on either the circumstances directly related to the employee's work performance or the changed conditions of the company. In many situations, the employer is required to inform employee representatives before any economic decisions (restructuring, closing a department) are made. Please consult The Working Environment Act .
Labour Laws	The Working Environment Act Consult Doing Business Website , to obtain a summary of the labor regulations that apply to local enterprises.

Dispute Settlement

Conciliation Process

Cases of Dispute	Working conditions, unfair dismissal, sexual and moral harassment, verbal violence, physical violence.
Legal Framework	Please consult The Working Environment Act
Procedure	The Working Environment Act

Judicial Structures

Legal Framework	The Working Environment Act
Competent Legal Body	See The Working Environment Act .

Social Partners

Social Dialogue and Involvement of Social Partners Norway has strong traditions in collective bargaining, and trade unions hold a prominent position. Although the trade union density rate has been decreasing in recent years, more than half of the Norwegian labour force is still collectively organised. Strong emphasis is placed on central organisations of employers and employees. Compulsory collective agreements supplement legislation in wages, working conditions and benefits. Results of central wage negotiations between the

large employee's and employer's organisations serve as guidelines for the local wage negotiations.

Unionisation Rate

52%

Unions

[The Norwegian Confederation of Trade Unions \(LO\)](#)
[Confederation of Unions for Professionals](#)
[Federation of Norwegian Professional Associations](#)

Regulation Bodies

[Ministry of Labour and Social Affairs](#)

Learn more about [Operating a Business in Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Investing

FDI IN FIGURES

Norway has recorded negative FDI inflows over 2015-2016, with a record low of USD -18.21 billion in 2018 (the third lowest flow among 190 countries) ([UNCTAD World Investment Report 2019](#)). However, Norway continues to be a large investor abroad, with its outward standing at USD 196.6 billion in 2018, edging down from USD 207 billion in 2017, but higher than levels seen since 2012. Sweden and the Netherlands almost consistently rank as top two investors in Norway, accounting for more than 30% of inflows (Statistics Norway). The Norwegian economy is largely based on the petroleum and gas sector. Consequently, the decline in the price of hydrocarbons led to a drop in investment to Norwegian oil companies in recent years.

FDI in this industry is expected to pick up in 2019 to reach USD 20.06 billion, only to decrease once again as of 2020 (Statistics Norway). At the same time, the Norwegian government introduced a new investment screening regime in 2019, allowing Norwegian authorities to investigate and block FDI on grounds of national security, national financial stability and autonomy. The decision applies to EU and non-EU investments alike. While Norway has a small domestic market, the country possesses several assets, such as its geographic location in a fertile region, its favoured ties with the United States, skilled and multilingual population, a modern economy and rich energy resources. Norway has a particularly favourable business climate. The country is ranked 7th out of 190 countries in the [2019 Doing Business report](#) of the World Bank (gaining one place compared to 2018).

Foreign Direct Investment	2016	2017	2018
FDI Inward Flow (<i>million USD</i>)	-4,667	4,495	-18,215
FDI Stock (<i>million USD</i>)	148,997	148,704	123,444
Number of Greenfield Investments***	27	35	32
FDI Inwards (<i>in % of GFCF****</i>)	-6.2	n/a	n/a
FDI Stock (<i>in % of GDP</i>)	36.7	n/a	n/a

Source: UNCTAD, Latest available data.

Note: * The UNCTAD Inward FDI Performance Index is Based on a Ratio of the Country's Share in Global FDI Inflows and its Share in Global GDP. ** The UNCTAD Inward FDI Potential Index is Based on 12 Economic and Structural Variables Such as GDP, Foreign Trade, FDI, Infrastructures, Energy Use, R&D, Education, Country Risk. *** Green Field Investments Are a Form of Foreign Direct Investment Where a Parent Company Starts a New Venture in a Foreign Country By Constructing New Operational Facilities From the Ground Up. **** Gross Fixed Capital Formation (GFCF) Measures the Value of Additions to Fixed Assets Purchased By Business, Government and Households Less Disposals of Fixed Assets Sold Off or Scrapped.

FDI INFLOWS BY COUNTRY AND INDUSTRY

Main Investing Countries	2017, in %	Main Invested Sectors	2017, in %
Sweden	21.1	Mining and quarrying	27.0
The Netherlands	10.0	Manufacturing	14.1
Luxembourg	8.3	Financial and insurance activities	10.4
United States	5.4	Wholesale and retail	8.9
Denmark	5.3	Real estate	7.9
United Kingdom	5.2	Transportation and storage	6.8

Main Investing Countries	2017, in %
Belgium	4.9
France	4.4
Germany	4.3

Source: [Statistics Norway](#) - Latest available data.

Form of Company Preferred By Foreign Investors	Foreign investors can operate through a branch office or through a separate entity. Limited companies (public and private) and partnerships can be used.
Form of Establishment Preferred By Foreign Investors	The most common form of doing business for a foreign investor in Norway is a branch office or an incorporated subsidiary.
Main Foreign Companies	ExxonMobil, Royal Dutch Shell, BP Amoco, Total, ConocoPhillips, Chevron, Marathon, Halliburton, General Electric.

WHAT TO CONSIDER IF YOU INVEST IN NORWAY

Strong Points Advantages for FDI in Norway:

Norway has a very strong economy and encouraging prospects of development. The high value-added sector of information and communication technologies is, for example, very well developed. The public sector is well organised (around a sovereign fund in surplus that can intervene at any time in the economy) and the country has high quality infrastructure. The workforce is highly skilled, multilingual and has one of the highest purchasing powers in the world. As can be seen from its eighth spot in the World Bank ranking of countries where it is easier to do business ([Doing Business Norway 2018](#)), the business environment in Norway is very positive and stable. The banking and financial sectors as well as the fiscal and legal framework are also very robust. The country's political environment is democratic, healthy and transparent.

In conclusion, even if the domestic market is small (over-indebtedness of households and small population), Norway is an interesting base for pilot tests of innovative high-cost products and also for export operations in the Nordic countries' markets, Baltic Sea and Western Russia.

Weak Points Disadvantages for FDI in Norway:

Norway's economy is generally not very diversified and is therefore very dependent on the price of oil, and the country has already exceeded the peak of its production (even if new deposits have been discovered). Like any open international economy, it is also very vulnerable to the economic situation of its main economic partners and the impact of the upcoming exit of the United Kingdom (Norway's largest export market) on its economy is still difficult to predict. Due to the geographical isolation of certain regions of the country, expenditure in the areas of transport, logistics and telecommunication infrastructure is very high. The country has put in place relatively strict labour laws that accentuate the extremely high wage costs in the country.

Government Measures to Motivate or Restrict FDI

The government maintains an open position towards FDI in Norway. Norway does not offer significant tax benefits to investors (whether foreign or Norwegian), but some benefits, such as lower social security contributions, lower tax rates and additional deductions for individuals apply for investments made in the less populated areas of northern Norway. Existing regulations, standards and practices may slightly favour Norwegian, Scandinavian and European Economic Zone investors. For more information you can visit the [Innovation Norway](#) page, the government agency whose purpose is to help companies offer financing through the Industrial Development Contracts and Research in Norway.

Special restrictions exist in Norway and apply in the following sectors:

- Acquisition of waterfalls, rights for power supply and mines
- Acquisition of land, real estate and leases in the long term
- Acquisition of cultivable land and forests
- Purchase of more than 10% of the share capital of a Norwegian financial institution
- Direct investments in exploration and petroleum operations that are licensed by the government

PROTECTION OF FOREIGN INVESTMENT

Bilateral Investment Conventions Signed By Norway

Norway has signed bilateral investment treaties with several countries. A list can be found on the [UNCTAD Investment Policy Hub's page on Norway](#).

International Controversies Registered By UNCTAD

Norway has not been involved in any case of disagreement concerning foreign investment up to now.

Organizations Offering Their Assistance in Case of Disagreement

[ICCWBO](#) , International court of arbitration, International chamber of commerce [Oslo Handelskammer](#) , The arbitration and dispute resolution Institute of the Oslo chamber of commerce [ICSID](#) , International Center for settlement of Investment Disputes

Member of the Multilateral Investment Guarantee Agency

Yes.

Country Comparison For the Protection of Investors

	Norway
Index of Transaction Transparency*	7.0
Index of Manager's Responsibility**	5.0
Index of Shareholders' Power***	8.0

Source: Doing Business - Latest available data.

Note: *The Greater the Index, the More Transparent the Conditions of Transactions. **The Greater the Index, the More the Manager is Personally Responsible. *** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action. **** The Greater the Index, the Higher the Level of Investor Protection.

PROCEDURES RELATIVE TO FOREIGN INVESTMENT

Freedom of Establishment	Guaranteed.
Acquisition of Holdings	A majority holding in a Norwegian company is legal, though some sector specific regulations are sometimes in place (for example, media ownership).
Obligation to Declare	No specific text of law regulates foreign direct investments, but various sectors are governed by specific laws, which are handled by the respective ministries that oversee these sectors.
Competent Organisation For the Declaration	Ministry of Finance Ministry of Trade, Industry and Fisheries Norwegian Competition Authority
Requests For Specific Authorisations	The following sectors require specific authorisation: <ul style="list-style-type: none"> - Acquisition of waterfalls, power supply rights and mining rights - Acquisition of land, real estate and long term leases - Acquisition of farmland and forests - Purchasing over 10% of the share capital of a Norwegian financial institution - Direct investments in petroleum exploration and exploitation are subject to a government licence <p>If an investment requires a permit, the applicant should contact the Ministry of Trade, Industry and Fisheries.</p>

Learn more about [Foreign Investment in Norway](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

OFFICE REAL ESTATE AND LAND OWNERSHIP

Possible Temporary Solutions	Foreign companies don't have to seek concessions to rent real estate (commercial facilities, office space) if the rental period is under 10 years.
The Possibility of Buying Land and Industrial and Commercial Buildings	Generally it's possible for foreign investors to own real property, though ownership of certain real assets is restricted. Acquisition of real estate and land are subject to The Concession Act . These regulations apply when buying real estate or companies that hold real estate (or long term leases).
Risk of Expropriation	No cases of questionable expropriation. Expropriation is governed by The Land Act .

INVESTMENT AID

Forms of Aid	No significant forms of investment aid. There are some exceptions for the sparsely populated areas of northern Norway.
Privileged Domains	No.
Privileged Geographical Zones	Minimal taxation in the Svalbard archipelago and lower social security payments, lower tax rates and extra deductions in the sparsely populated areas of northern Norway.
Free Zones	None.
Organizations Which Finance	The Nordic Investment Bank , the Nordic Industrial Fund , the Nordic Environment Finance Cooperation . More information can be found at Bedin.no under the topic "Financing".

INVESTMENT OPPORTUNITIES

The Key Sectors of the National Economy	The best business opportunities are consumer goods, information and communication technologies, construction and services for business, oil and gas, food processing, marine industry, fishing, shipbuilding, mechanical engineering and metals.
High Potential Sectors	Equipment / machinery and services for natural gas fields, telecommunications, naval and marine equipment, renewable energies, environmental technologies, medical equipment and supplies, security equipment, transport infrastructure (road network, rail network and urban transport), maritime sector and health.
Privatization Programmes	Government ownership is frozen at current levels.
Tenders, Projects and Public Procurement	Ehandel , Public Procurement portal Tenders Info , Tenders in Norway Ted - European public markets , Business opportunities in EU 27 DgMarket , Tenders Worldwide

SECTORS WHERE INVESTMENT OPPORTUNITIES ARE FEWER

Monopolistic Sectors Postal services, railways, domestic production and retail sale of alcohol.

FINDING ASSISTANCE FOR FURTHER INFORMATION

Investment Aid Agency [Information about financing and support is available at Altinn.no](#)

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