

SUMMARY

1. Norway is a small, open, high-income economy in the north of Europe that is rich in natural resources and has high labour productivity and little inequality. The oil and gas sector plays a large role in the economy, contributing more than a quarter of GDP, and accounting for more than 60% of exports and approximately one-fifth of total government revenues. Price-driven variance in the value of oil and gas exports resulted in trade openness as measured by the share of merchandise trade in GDP to vary significantly between 46% in 2020 and 64% in 2022, while the share of trade in services to GDP was much more stable at around 21%. These price effects also drove overall volatile GDP growth, while GDP of the mainland economy (excluding "oil and gas extraction, pipeline transport and foreign shipping") grew much more consistently with on average 1.6% between 2018 and 2024, using the compound annual growth rate. In the context of the global energy transition, the government considers a gradual reallocation of resources from the oil and gas sector towards high productivity sectors as important, considers that climate and nature should provide the framework for all policy-making, and has identified nine green priority sectors for industrial development.

2. Imports and exports increased overall between 2018 and 2023 but their growth was not linear, with the value of imports and exports peaking in 2022. In 2023, merchandise imports were dominated by machinery and equipment, metals and minerals, and chemicals, accounting for around two thirds of the total, while merchandise exports were increasingly concentrated in mineral fuels and petroleum (oils), with changes in export flows primarily driven by price movements. Services trade is slightly less important than merchandise trade, accounting for 63% of total imports of goods and services, composed primarily of travel and financial services, while services exports, consisting primarily of travel and transport services, accounted for a decreasing share in total exports (77% of all exports in 2023). Europe, in particular the EU-27, remains by far Norway's largest trading partner. Around half of services trade is digitally delivered.

3. The dominant role of the oil and gas sector with its substantial temporary petroleum revenues is also reflected in a fiscal framework where the net fiscal surplus from the oil and gas sector flows into a fund to maintain the real value of resources extracted for future generations. Funds are invested outside Norway effectively sterilizing part of the capital inflows related to oil and gas exports. Within a set of strict rules, a certain amount from the fund is transferred to the budget every year, effectively fully funding the (structural) non-oil deficit. This framework has allowed Norway to manage successfully the significant rents generated by its large oil and gas sector.

4. In addition to oil and gas, Norway is also rich in other natural resources such as fish, potential for hydropower generation, and recently discovered significant deposits of rare earth metals. At the same time, Norway is relatively little integrated into Global Value Chains compared to other OECD economies according to a number of indicators, although the role of foreign demand for domestic value added varies strongly across sectors. For most sectors, the relative importance of external demand for imported intermediate inputs has declined since 2000.

5. Via the European Economic Area (EEA), Norway is part of the European single market linking Iceland, Norway, and Liechtenstein with the European Union, and many policy developments are hence shaped by discussions and decisions at the European level. Decisions by the EEA Joint Committee incorporate the *acquis communautaire* relating to the European Union's internal market (except for the Common Agriculture Policy and the Common Fisheries Policy, among other policy areas) into the different Annexes of the EEA Agreement, covering on average between 500 and 600 legal acts annually. Inclusion in the EEA Agreement makes such legislation also binding on the three EEA EFTA States, which transpose them into the national legal order.

6. Climate change is expected to affect Norway via multiple channels ranging from changes in rainfall patterns to changes in temperatures and alterations in ocean conditions. The Government considers that climate and nature should provide the framework for all policy-making. As a result, green objectives are included in many policy areas, and trade and environmental policies are increasingly interwoven. Achieving a low-emission society remains an important objective of consecutive governments, with Norway's commitments under the Paris Agreement reflected in government targets to cut emissions by 55% (compared to 1990) by 2030, broadly aligned with EU targets and policy developments. The IMF considers Norway to be a leader in terms of carbon pricing.

7. Norway considers the rules-based international trading system embodied in the WTO, along with the EEA and EFTA, as essential for its economic development. It remains an active member of the WTO, including in the work of regular bodies. Norway deposited its instrument of acceptance of the Agreement on Fisheries Subsidies in 2024. Following the conclusion of the negotiations on Services Domestic Regulation, Norway amended its GATS schedule in 2024. Norway is a party to the Investment Facilitation for Development Agreement and participates in the Joint Statement Initiative on E-Commerce as well as other initiatives including those related to environmental sustainability. The authorities made use of the TPR process to update their notification record in a number of areas and as a result, only very few regular notifications and *ad hoc* notifications were outstanding in April 2025.

8. Since 2018, Norway concluded or started to apply 10 new RTAs jointly with other EFTA Members, and it also concluded an RTA with the United Kingdom (jointly with Iceland and Liechtenstein). A bilateral agreement with the EU on agricultural products entered into force in 2018. Norway's RTAs increasingly cover provisions relating to the environment and labour, with environmental provisions being more ambitious since 2019. Norway continues to apply a complex Generalized System of Preferences with beneficiaries classified as LDCs and other small low-income countries, small lower-middle-income countries, and other countries on the OECD DAC list.

9. The investment regime remains highly open and transparent, as measured by various indicators such as the World Economic Forum's Global Competitiveness Index, World Governance Indicators, and the OECD's Product Market Regulation indicators. Legislation is generally easily accessible online. The Government continued to improve the business environment, particularly by expanding the electronic delivery of services via its *Altinn.no*-portal, where 74 entities were providing services as of 2024. Restrictions that apply to non-EEA investors are few and limited to specific sectors, for example air transport, while certain residency requirements apply as well. A new National Security Act entered into force in 2019 and introduced FDI screening for certain enterprises. Norway adopted a Transparency Act in 2022 imposing obligations on companies (including "large" foreign companies operating in Norway and liable to tax there) to carry out due diligence in its business conduct (including along the supply chain) regarding fundamental human rights and decent working conditions. Since 2018, an Equality and Anti-Discrimination Act requires all public entities and large private companies to actively promote equality and prevent discrimination.

10. E-commerce continues to grow and accounted for around 2.3% of GDP in 2023. The related framework for consumer rights was strengthened by introducing restrictions for misleading marketing in 2023; that for electronic signatures was aligned with EU rules in 2018 by the Act on Electronic Trust Services; and the Personal Data Act transposed the European Union's General Data Privacy Regulation (GDPR) with certain deviations in 2018. Since January 2024, most commercial small shipments have had to pay VAT and customs duties following the removal of the *de minimis* exception for shipments below NOK 350 in 2020 as well as some temporary measures.

11. While not introducing fundamental changes, a new Movement of Goods Act and new Customs Duty Act replaced the 2007 Act on Customs Duties and Movement of Goods in 2023. Customs continues to coordinate border inspections for around 30 agencies. Electronic systems for regulatory permits and customs related processes are in place and interact, but nevertheless Customs continues to further develop these electronic systems and has the goal to implement a full Single Window in the future. A developed risk management system results in significantly less than 0.5% of consignments being physically inspected, with around a third of those showing a positive result, indicating good targeting of controls. Average clearance times for consignments passing through the green channel are on average less than a minute as they are automated. An Authorized Economic Operator scheme is in place but not widely used, largely the result of the generally already very efficient customs clearance processes for all companies.

12. Slightly over 85% of all tariff lines are duty-free and the remaining tariffs (1,082 lines) are concentrated in agriculture (where only 43% of tariff lines are duty-free), with some lines also affecting textiles and clothing (250 of these lines) and products used in the production of fish feed (8 lines). The average applied tariffs for agricultural goods (WTO definition) are relatively high and stood at 27.8% in 2024, compared to 0.4% for non-agricultural products. Norway applies WTO MFN Tariff Rate Quotas (TRQs), preferential TRQs, and autonomous TRQs. Certificates of Origin can be issued electronically since 2020.

13. Tariffs on certain agricultural products remain high, complex, and vary significantly among product categories. The highest *ad valorem* equivalent estimate stands at 344%. Overall, 9.6% of all tariff lines are non-*ad valorem* but these are concentrated in agriculture and 85% of dutiable agriculture tariff lines have non-*ad valorem* rates. Among them are non-*ad valorem* tariff rates for processed agricultural products using a matrix based on agricultural raw material inputs. Tariff concessions are also in place, for example companies can apply for duty exemptions for agricultural goods used in the production of industrial products. At the same time, tariff rates are also adjusted when prices for certain agricultural commodities exceed target prices (and in certain cases, autonomous TRQs are opened). Such changes are published on the websites of the Agriculture Agency and Customs. Imports for free circulation of agricultural products used in the production of food and beverage products and in the production of feed for animals, as well as semi-finished and final products, are subject to a "research fee" of 0.35% of the customs value for raw materials and of 0.25% for imported semi-finished products or finished goods. For domestic goods, the fee is collected when such goods are sold to processors.

14. Norway updated its notification on quantitative restrictions in 2025 with quantitative restrictions for imports and exports still primarily based on international agreements. Norway adopted a new Sanctions Act in 2021. Exports of fish and fish products are subject to an export fee. Norway implemented some temporary restrictions as a result of the COVID-19 pandemic, all of which have been terminated. Norway generally does not apply trade remedies as part of its general trade policy.

15. A number of business support organizations provide advisory services and manage support schemes, with Innovation Norway the principal government organization for business development. In 2021 Export Credit Norway and the Norwegian Export Credit Guarantee Agency were merged into Export Finance Norway (Eksfin). In 2022, the Government launched a new mechanism for designing export strategies under the aegis of a National Export Council with private-sector involvement to achieve the overarching goal of increasing non-oil and gas exports by 50% by 2030. Financial incentives in Norway are provided in line with the State Aid rules of the European Union, with total non-agricultural State Aid expenditures of Norway in 2022 amounting to around 1.2% of GDP, granted primarily as tax concessions. Norway participates in the European Union's Emissions Trading System (ETS) and also applies other tax schemes that directly aim to reduce carbon emissions. Incentives for the purchase of electric vehicles complement these taxes. A quarter of all vehicles were electric by 2024.

16. During the review period, there were no significant changes regarding the SPS and TBT frameworks which follow those of the European Union as part of the Single Market (phytosanitary measures remain outside the EEA Agreement). Technical regulations can either detail specific technical requirements for a certain product ("old approach") or spell out "essential" requirements while leaving the more detailed technical requirements to harmonized European standards ("new approach"). Products within the EEA circulate freely. The new EU Regulation No. 2019/1020, which aims to strengthen the EU market surveillance mechanism, is being transposed into domestic law. In 2022, EU rules regarding production and labelling of organic products were reflected in the domestic legal framework. Regarding imports of food and food products, cosmetics, and "other" types of goods from outside the EEA, common rules for imports into the EEA apply. Norway participates in the European Union's platform for animal and plant import health certification called Trade Control and Expert System (TRACES).

17. Competition policy remains fundamentally unchanged and aligned to that of the EU, including its temporary exemptions during the COVID-19 pandemic. It continues to focus on prohibiting anti-competitive agreements and practices by businesses as well as the abuse of a dominant position. The Norwegian Competition Authority investigated and took actions regarding price discrimination in the grocery market. In addition, it issued several reports on the state of competition in the waste market, the residential mortgage market, the labour market, and the pharmacy market. In 2019, legislative changes led to taxi licences no longer being quantity-limited. Since March 2024, all taxi licence holders must again be affiliated with one or more taxi centres.

18. The State continues to play an important role in the economy. SOE governance is sound and generally does not create particular barriers to competition as SOEs compete on a level playing field with commercial companies. The Government classifies SOEs according to their degree of competition with the private sector and ownership objectives. The need for "greener" state ownership is spelled out in the most recent strategy from 2022. SOEs are now expected, to integrate

risks and various performance indicators regarding issues such as working conditions and diversity or climate and ecosystems into their ambitious and clear strategies, and to incorporate the UN Sustainable Development Goals into strategies and operations. Public annual state ownership reports include consolidated financial information for each centrally-owned company, but they do not cover companies owned by municipalities or other state bodies, and no such overview exists.

19. Norway is a party to the WTO Agreement on Government Procurement 2012. Its legal framework, which did not change substantially during the review period, reflects EEA rules. Recent changes, especially in 2023, aim to use government purchasing power to shift to more sustainable procurement. Procuring entities need to design procurement procedures in a way that promotes climate-friendly practice and provide for the protection of human rights in cases where there is a risk of violation of such rights. Since 2024, procuring entities must apply climate and environmental criteria with a weight of at least 30% of all award criteria as a general rule. When reviewing complaints, the Public Procurement Appeals Board aims to resolve conflicts instead of issuing a formal decisions which it achieved in most cases. The most recent procurement data notified by Norway under the GPA does not include disaggregated data by award method and this information was also not otherwise available.

20. Intellectual property (IP) issues and innovation continue to play an important role in parts of Norway's economy such as in oil, raw materials, fish, and shipping. Amendments to the IP framework include changes to the Patent Act, a new Act on Trade Secretes, amendments to the Trademark Act, and a new Copyright Act, which includes provisions on extended collective licensing to handle mass clearance of copyright-protected works. Norway was on average a net importer of IP during the review period.

21. Norway's agricultural sector is small, but it remains heavily protected for nearly all major items it produces, in part to support regional development policies aiming to safeguard economic opportunities and living standards across rural and remote areas. According to the OECD, total support equalled 86% of the value of production at farmgate prices in 2023, the highest in the OECD, with more than half of the support in forms that are most market distorting. Production remains dominated by livestock and related products in volume and value. Farm size remains relatively small while total factor productivity has, on average, been growing faster than globally, in part driven by increased use of technology and precision agriculture. The overall support framework remained broadly unchanged with support agreed annually between farmer's associations and the government, and support provided primarily via direct payments, price subsidies, and border measures. Domestic support is linked to border measures via adjusting tariffs or the opening of TRQs. Around one third of total support was allocated to measures with positive environmental and climate effects. In 2023, Norway decided to re-establish an emergency storage of food grain for possible domestic shortages, managed by private actors and in 2024, the support system for milk was changed. As planned, Norway phased out export subsidies by the end of 2020.

22. Norway remains a major fishing nation, managing fish stock jointly with neighbours where needed and using a system of total allowable catch. Aquaculture has been expanding rapidly and is significantly larger than the fisheries sector. Since 2020, Norway has fully implemented the carbon tax on fuel for fishing vessels, but a temporary measure has been put in place to provide compensation for the tax paid to vessels engaged in coastal fishing. According to the OECD, only 78% of support is funded by government, with the rest funded from payments made by the fisheries sector.

23. Norway remains a net exporter of energy as one of the 5 largest global gas and 10 largest oil exporters, and developments in export value have been driven primarily by price changes during the review period. Nearly all oil and gas is exported and some electricity (primarily generated from hydropower) is traded with Europe. State ownership in the hydrocarbon sector, as well as in electricity generation, remains significant. The government aims to increase energy efficiency and limit growth of energy consumption. Going forward there is significant potential to supply critical minerals. In addition, Norway has developed CO₂ storage projects which are about to become operational. In 2019, Norway adopted legislation on seabed mining, with the first licensing round for such activities paused in 2024, while relevant regulations continue to be developed.

24. Services account for more than 50% of GDP in Norway (or 75% of the mainland economy). Services are also part of the EEA single market, while restrictions for trade with non-EEA Members remain relatively high compared to the OECD average. Norway amended its GATS schedule to

incorporate the results of the negotiations on Services Domestic Regulation. In 2024, Norway introduced certain gender composition requirements for boards of limited liability companies. Changes affecting financial services were primarily of prudential nature to reflect developments at EU level.

25. Norway adopted a new Electronic Communications Act in 2024, reflecting developments at EU level. Co-location and infrastructure sharing is regulated, and the Act also contains new provisions on net neutrality and incorporates the EU's "roam-like-at-home" provisions, now extended until 2032. Amendment to the Postal Act in 2023 reflect provisions on cross-border delivery of parcels in the EEA. In 2019, as a reaction to the declining volume in the postal market, the Government reduced the requirements for the operator with delivery obligation from daily to only every second day.

26. Policies relating to climate change and transition to net-zero carbon emissions have shaped developments regarding transport services, as Norway aims to reduce emissions from the transport sector by half by 2030. Revisions to the EU Emissions Trading System (ETS) were included in the EEA Agreement in 2023, affecting particularly commercial aviation and maritime transport services (which remains the predominant mode of transport for Norway in terms of volume). Norway implemented the EU's fourth railway package in 2021 to increase competition in rail transport services, and implemented EU regulations regarding provision of port services in 2019. New EU cabotage rules for road transport services were also incorporated into domestic law in 2022, adding certain restrictions to the timing and number of cabotage operations a haulier can undertake outside its country of establishment. Regarding air transport services, ownership restrictions of 49% remain in place for non-EEA investors. Air service agreements are generally very liberal. Norway negotiated a new air services agreement with the United Kingdom in 2021.

27. In summary, Norway has achieved one of the world's highest living standards largely due to its sound policy framework, shaped by Norway's participation in the EEA. While the trade and investment environment is generally very open, Norway's small agricultural sector remains highly protected. The government considers that climate and nature should provide the framework for all policy-making and, in tandem with EEA-wide developments, trade and environmental policies are increasingly interwoven. While Norway has been very successful in managing the benefits and challenges related to its oil and gas sector, the role of the sector is expected to decline and efforts are under way to facilitate the reallocation of resources into non-oil, higher productivity sectors and firms.