



# DOING BUSINESS IN NORWAY



## 1. Business Finland in Norway

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### Team Finland in Norway

- [Embassy of Finland](#)
- [Finnish-Norwegian culture institute](#)
- [Finnish Church](#): Anssi Elenius (Priest)
- [The Norden Association](#) (Föreningen Norden): Espen Stedje (general secretary)

## 2. Key facts about Norway

### Demographics

**Population 2020: 5.3 million**

The Norwegian population is ageing and the birth rate is low at 1.49. Current median age is 39 and the life expectancy is constantly rising, currently being at 81 for men and 85 for women. Immigration to Norway is gradually changing the demographics of Norway. There are over 765 000 immigrants in Norway.

### Geography, regions and federal structure

Norway is a constitutional monarchy located in Northern Europe sharing the Scandinavian Peninsula together with Sweden and Finland. Norway has an area of 385,170 square kilometers, of which land 94.95 % and water 5.05%. Majority of Norway borders water, which has a significant impact on the Norwegian culture. It is one of Europe's most mountainous countries, also known for its beautiful fjords.

Norway is strongly urbanized; its biggest cities are the capital Oslo (681 071), Bergen (257 087), Stavanger (225 020) and Trondheim (186 364). Norway's coastline is densely populated and most of the biggest cities are located there. There are 11 counties and 356 (February 2020) municipalities in Norway.

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There are 50 airports in Norway. The geography is challenging due to the mountains, so flying is popular in Norway. Due to its long coastline, there are also 65 ports. The largest ports are located in Bergen, Bodø, Narvik, Oslo, Stavanger and Tromsø.

### Economy

- GDP 3,886 Billion NOK
- GDP per capita 731 305,50 NOK
- Current value of the Government Pension Fund of Norway: 10,5 trillion NOK
- Unemployment rate 3,6% (March 2020)<sup>1</sup>

Norway has a very high standard of living and the Norwegian economy has shown growth since the beginning of industrial era. Norway's economy relies on oil and gas production, which is approximately 20% of the economy. The state deposits its revenue from petroleum in the Government Pension Fund, also known as the "oil fund", which is the world's largest sovereign wealth fund.

The Norwegian economy is very open; it ranks among the 25 biggest global exporters. The main trade partners are member states of the European Union, largest being the United Kingdom, followed by Germany and the Netherlands.

Norway was ranked the 5<sup>th</sup> most digitalized country in Europe according to the Digital Economy and Society Index (DESI) in 2018.<sup>2</sup>

The current prospects of economy have loomed significantly due to the drop in oil price and the COVID-19 crisis. We see a rapid increase in the unemployment rates and a decrease in the GDP.

### Key industries

#### 1. Oil and gas production

Norway is an important supplier of oil and gas to the global market, and exports almost all of its production. Norway has 87 oil fields in production. This is the highest number in the history. While the majority of the oil fields are reaching maturity, gas and renewable energy sources are seen as potential for Norway.<sup>3</sup>

#### 2. Maritime

Norway is a superpower in maritime business. Norwegian ship owners control 7 per cent of the global fleet. The Norwegian shipping companies, maritime service providers, ship and rig building yards, and ship equipment manufacturers hold a leading position in maritime business.

#### 3. Renewable energy

Developing the country towards a more sustainable future is high on Norway's agenda. Norway has submitted an enhanced climate target under the Paris agreement. Norway's target is to reduce emissions with at least 50 %, and towards 55 % by 2030 compared to 1990.<sup>4</sup>

Norway has made large long-term investments in hydropower. 98 % of electricity comes from renewable hydropower. The Norwegian Statkraft is leading company in hydropower internationally and Europe's largest generator of renewable energy.

Development of offshore and onshore wind is a priority, and creates major opportunity for Norway both to keep its high quality of life after the oil era, and to meet its commitments to reduce emissions.

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<sup>1</sup> <https://www.ssb.no/en/akumnd>

<sup>2</sup> [https://www.regjeringen.no/contentassets/5d2caddad8424250846b8dc93e259997/desi-indeksen\\_2018\\_norge.pdf](https://www.regjeringen.no/contentassets/5d2caddad8424250846b8dc93e259997/desi-indeksen_2018_norge.pdf)

<sup>3</sup> <https://thebarentsobserver.com/en/industry-and-energy/2020/01/etroholic-norway-steers-towards-more-oil>

<sup>4</sup> <https://www.regjeringen.no/en/aktuelt/norge-forsterker-klimamalet-for-2030-til-minst-50-prosent-og-opp-mot-55-prosent/id2689679/>

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Carbon capture and storage (CCS) and rapid electrification of transport and industry are other major development areas in Norway.

### 4. *Seafood*

Harvesting, processing and exporting seafood have a long tradition in Norway. Norway is the world's second largest seafood exporter after China. The seafood industry is the second largest contributor to GDP. The industry employs about 30 000 people.

### 5. *Tourism*

Norway has a thriving and fast-growing tourism industry. Norway has a unique nature that attracts tourists from all over the world.

## **Merging industries – Health care and sustainability**

Due to the ageing of the population in Norway, the demand for health care sector is increasing. Also, the spread of the COVID-19 virus has made the current digitalization of the health care system more rapid. There is a green transition going on in Norway, which has made the Norwegians to search for new ways for sustainable use of resources.

## **Norwegian consumers**

Norway has a high GDP per capita, which means the Norwegians have among the highest purchasing power in Europe. Norwegian consumers are traditionally proud of their national production and loyal to national brands. In Norway, consumers are becoming more aware of environmentally friendly way of consuming. E-commerce has also grown quickly.

## **Biggest companies 2019 (by revenue)<sup>5</sup>**

- Equinor                      Oil and gas
- Telenor ASA                Telecommunications
- Norsk Hydro ASA        Hydropower
- Yara International        Chemicals
- DNB                         Banking and insurance
- Orkla Group
- Aker Solutions            Oilfield services
- Storebrand                Insurance
- Gjensidige                Insurance

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<sup>5</sup> <https://www.worldatlas.com/articles/largest-companies-in-norway.html>

### 3. How Norway works with innovation

#### Norwegian startup hubs, incubators and accelerators

Norway is regional and urbanized; every area has its own start-up hubs, incubators, accelerators, and testbeds. There are several incubators around the country concentrating on different parts of industry. A listing of international accelerator programs is located [here](#).

#### Innovation clusters

Innovation clusters are divided according to technology, geographical location, or a group of companies. A national innovation cluster program started in 2002 and offers Norwegian companies help within financing, advisory, networking as well as marketing and training. There are currently 39 different innovation clusters within different industries. More information about the clusters:

<https://www.innovasjon Norge.no/no/subsites/forside/english/>

The main governmental organizations funding and supporting innovation are SIVA, Innovation Norway, EnergiForskning and ENOVA.

#### Useful links

- [Innovation Norway](#)
- <https://www.norwayexports.no/sectors/>
- <http://www.arenaclusters.no/arena-klyngene/>
- <http://www.nceclusters.no/nce-klyngene/>
- <http://www.gceclusters.no/gce-klyngene/>
- <https://www.innovationclusters.no>
- <https://expertsearch.businessfinland.fi/#/search/?countries=NOR>

#### Trade related associations

- Norsk-Finska Handelsforening NOFI (Helsinki): <https://www.nofi.fi/>
- Norsk-finsk handelsforening (Oslo)  
<https://nfhforening.no/>
- Oslo Chamber of Commerce: [www.chamber.no](http://www.chamber.no)

### 4. Cultural issues and ease of doing business

The business culture in Norway is based on the Scandinavian work values. Equality, flat structures, and informal communication are important in the business culture. Employees work independently and enjoy a lot of freedom and flexibility in how they organize their work and responsibilities. Trust is a very important part of the culture. The balance of work and private life is important for many Norwegians.

Business meetings are often informal and relaxed. Usually a meeting starts with small talk. It is important to show interest in the person behind the title. Also showing one's own personality is considered important. Norwegians speak good English, but knowing a Scandinavian language is always beneficial when doing business in Norway.

### **Establishing a business**

When establishing a business in Norway, you should take into consideration the different forms of businesses, registration obligations, financial reporting and auditing, tax liability, VAT obligations, employees, a-melding – withholding tax – payroll, labor law wages for foreign-posted workers.

For more information about establishing a business, please contact Business Finland in Oslo.