



Torske Klubben: The Norwegian Luncheon Club of Minneapolis

Interlachen Country Club

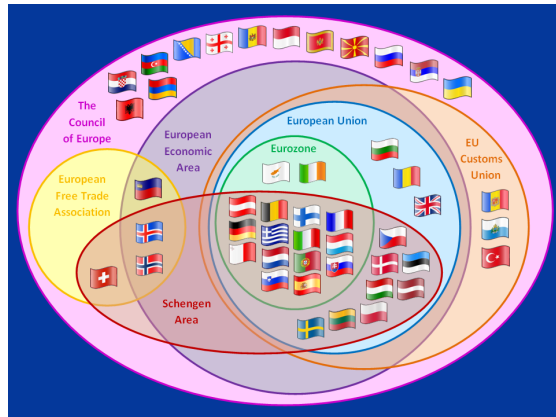
Saturday, October 6, 2012; noon-2 p.m.

**“Norway:
Outside or inside Europe?
Out of the ordinary or just ordinary?”**

Notes or “cheat sheets” included to supplement information on the slides.

Questions or comments, please contact: ragnhild.sohlberg@gmail.com

Copyright Ragnhild Sohlberg, Ph.D.
Version for posting on Torske Klubben’s
website.ppt



Outline



1. Europe:

- a) Variable geometry
- b) Norway: Outside and inside?

2. Norway and offshore oil and gas:

- a) Blue eyed Arabs?
- b) Or smart Norwegians?



Europe: What/whom?



- 50 nations... or 58?
 - 50 sovereign states
 - of which:
 - Some are in both Europe and Asia
 - 27 are EU members
 - 6 dependent territories
 - 2 special areas with internal government
- 150+ regional or minority languages; of which 23 are official ones

Source: http://en.wikipedia.org/wiki/List_of_sovereign_states_and_dependent_territories_in_Europe

Which Europe??



Not only a diversity of languages
and a diversity of cultures...
but also a diversity of constellations
... and continual changes!

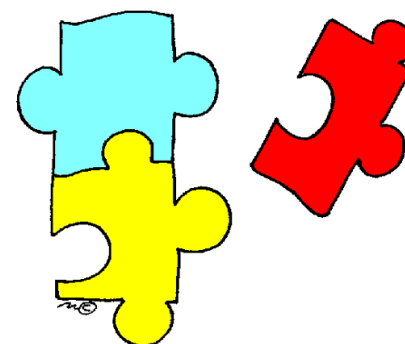
The European Union (EU)

1957-2007: From EU-6 to EU-27

1957: EU-6 (Belgium, France, West Germany, Italy, Luxembourg, Netherlands)

Enlargements:

1. 1973: EU-9 (+ UK, Denmark, Ireland)
2. 1981: EU-10 (+ Greece)
3. 1986: EU-12 (+ Portugal, Spain)
4. 1995: EU-15 (+ Austria, Finland, Sweden)
5. 2004: EU-25 (+ Cyprus, Czech Rep., Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia)
6. 2007: EU-27 (+ Bulgaria, Romania)



1972 and 1994: Referendums in Norway

A Norwegian in the European Parliament?



12. desember 2005

Copyright Ragnhild Sohlberg, Ph.D.
Version for posting on Torske Klubben's
website.ppt

The (?) European Parliament

+ Luxembourg!
("Administrative capital")

Strasbourg
("Democratic capital")



Brussels
("Bureaucratic capital")



The European Parliament

(23 official languages!)



Copyright Ragnhild Söhlberg, Ph.D.
Version for posting on Torske Klubben's
website.ppt



EU/EEA/EFTA and USA



EEA



	EU-27	Norway, Iceland, Liechtenstein	Switz- erland	Norway	USA
Population (mill.) (2012 est.)	504	5.35	8.0	5.0	314

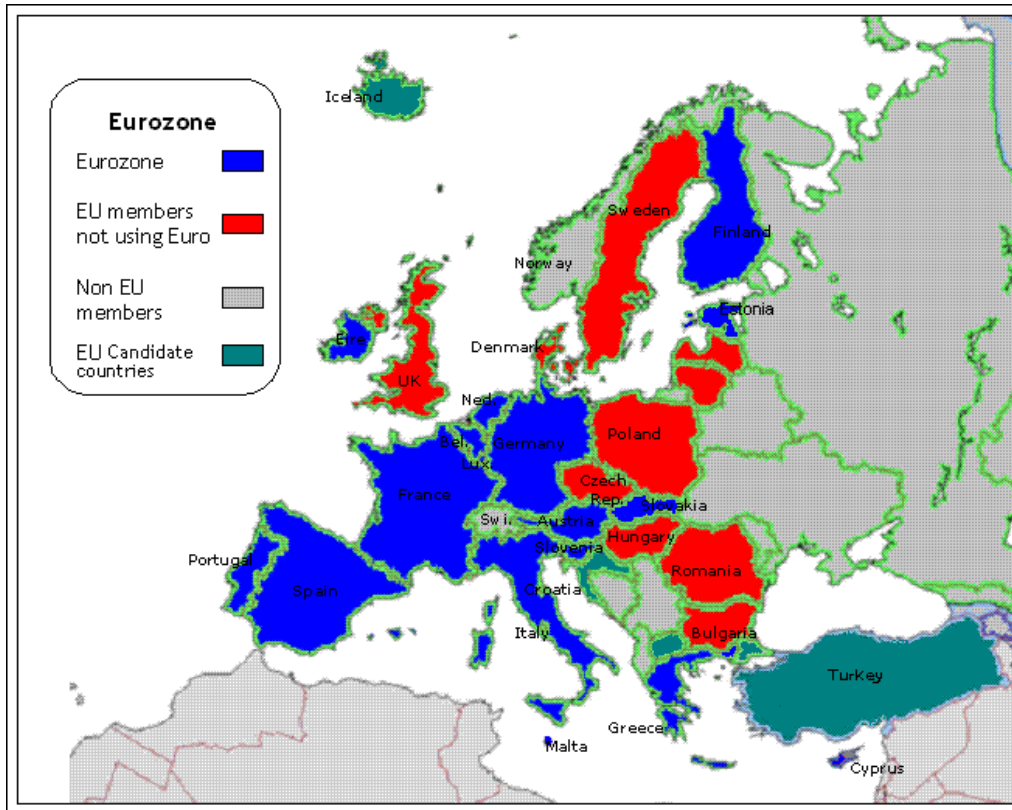
EFTA



EURO-ZONE (2011)

EU-17:

Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain + Estonia (2011)

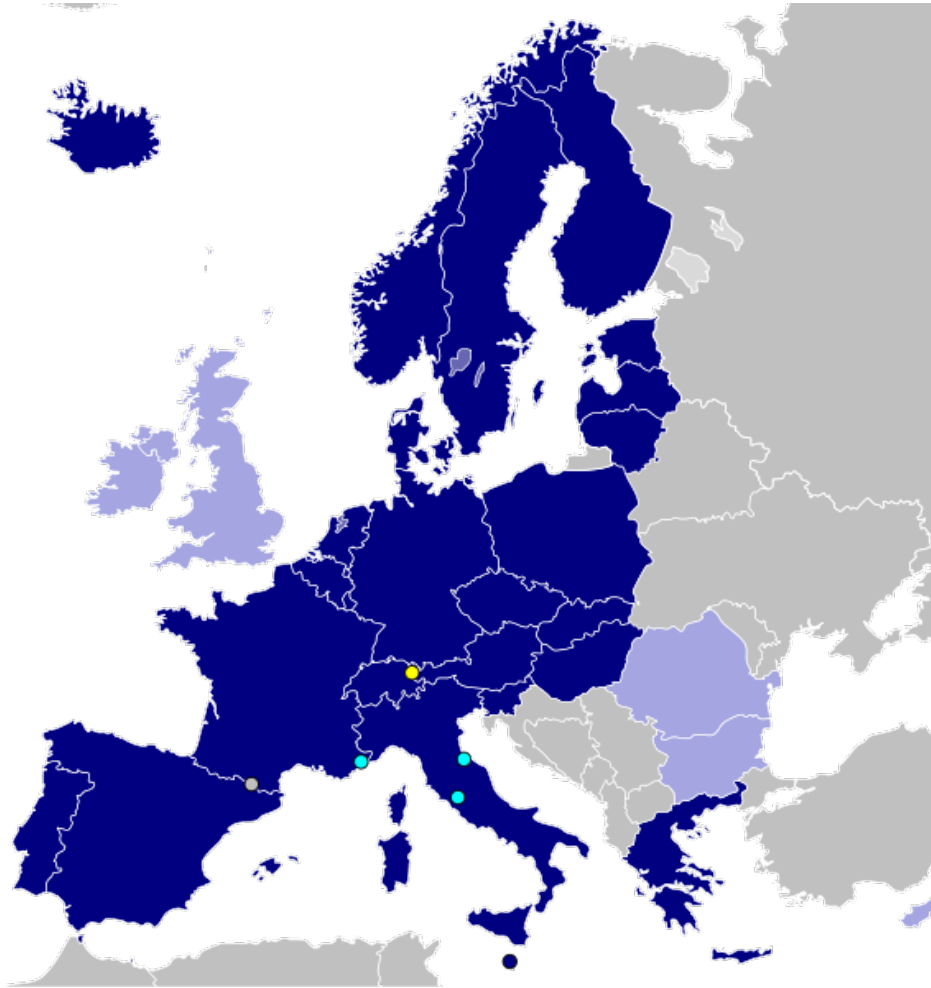


Norway???



Copyright Ragnhild Sohlberg, Ph.D.
Version for posting on Torske Klubben's
website.ppt

Schengen (26)



EU-members (22):

All except 5:

UK og Irland ("opt out")
and

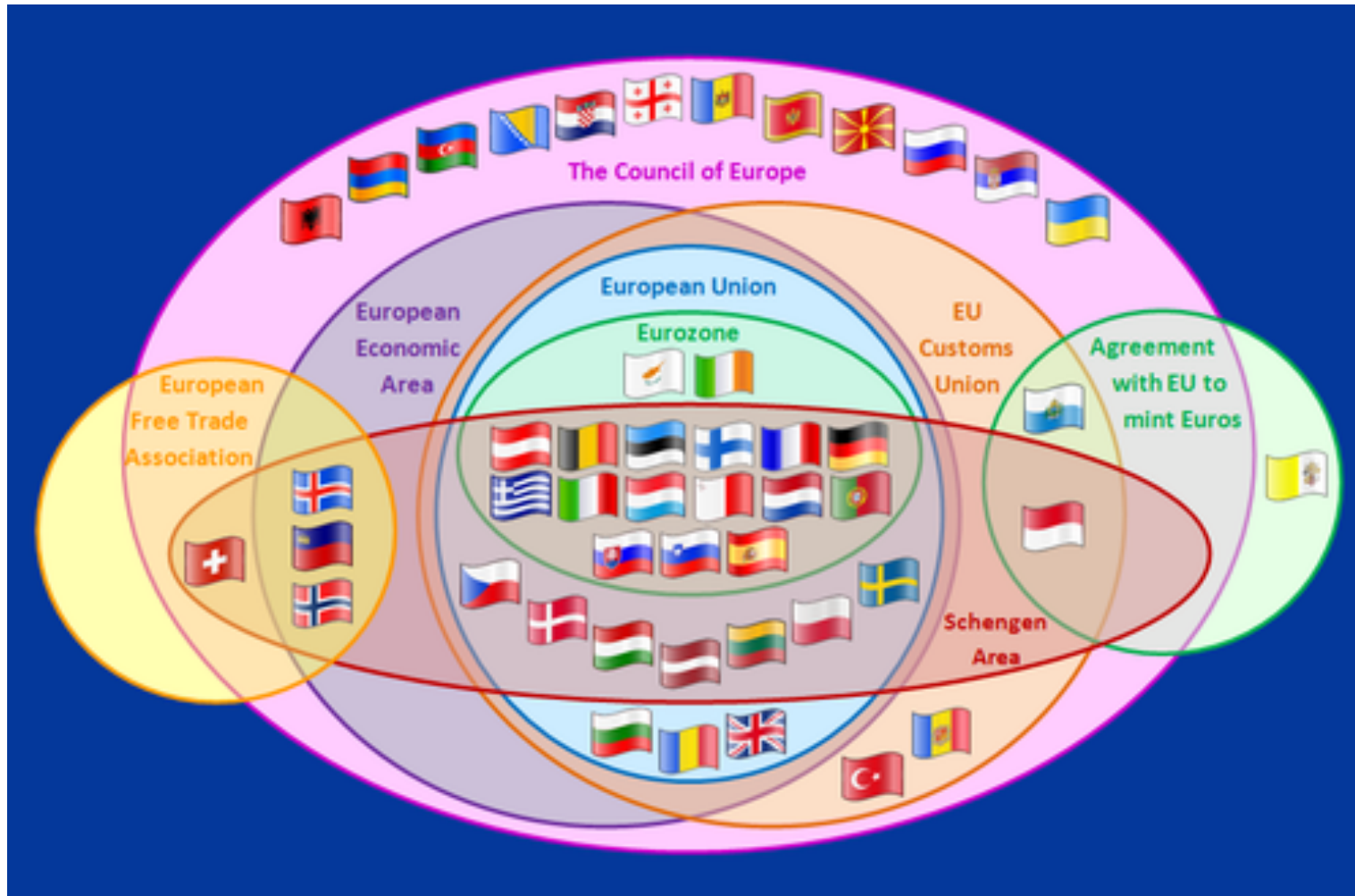
Bulgaria, Cyprus, Rumania

Non-EU members: (4):

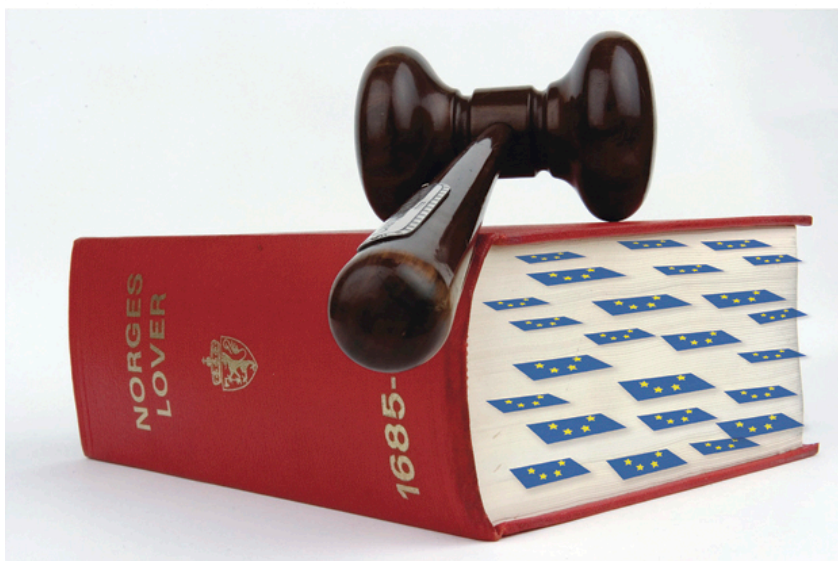
Norway, Iceland (2001),
Switzerland (2008),
Liechtenstein (2011)

Europe's Variable Geometry

Source: http://en.wikipedia.org/wiki/European_Free_Trade_Association



The Norwegian (?) Book of Statutes



- Approx. 170 out of 600 statutes contain to a greater or lesser extent EU/EEA law
- No statute may be in conflict with EU/EEA law or European Convention on Human Rights
- From "tide" to "tsunami" of laws and regulations
- Legal system with federal characteristics
- Norway has no choice!

**1945: UN
(192)**

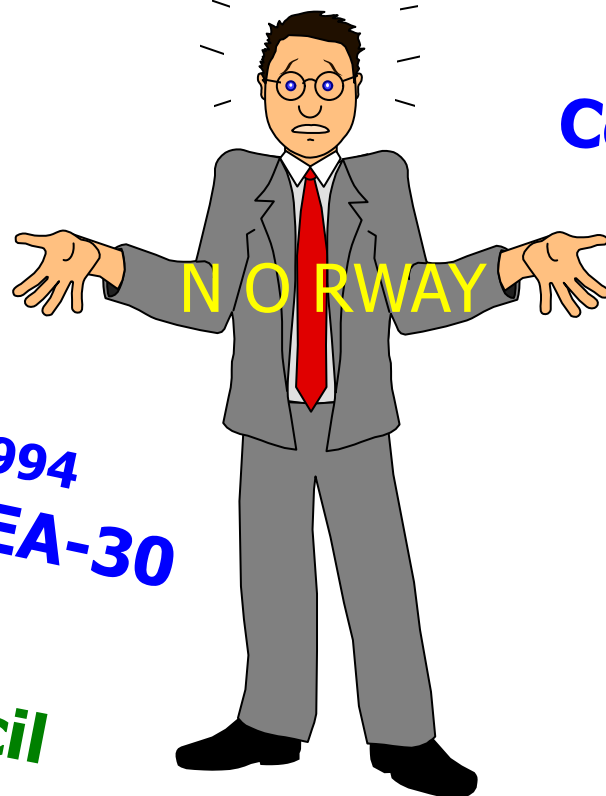
**1949: NATO
(28)**

**1947 :
GATT/ WTO
(155)**

**1957:
EU-27**

**1949:
Council of Europe (CoE)
(47)**

**1948/1960:
OEEC/OECD
(34)**



**1995:
Schengen (26)**

**1994
EEA-30**

**1972:
KSSE/OSCE
(56)**

**1952:
Nordic Council
(5)**

**1960:
EFTA-4**

**1999:
Euro-zone
(17)**

**1999:
European Higher Education Area
(46)**

Norway and Offshore Oil and Gas

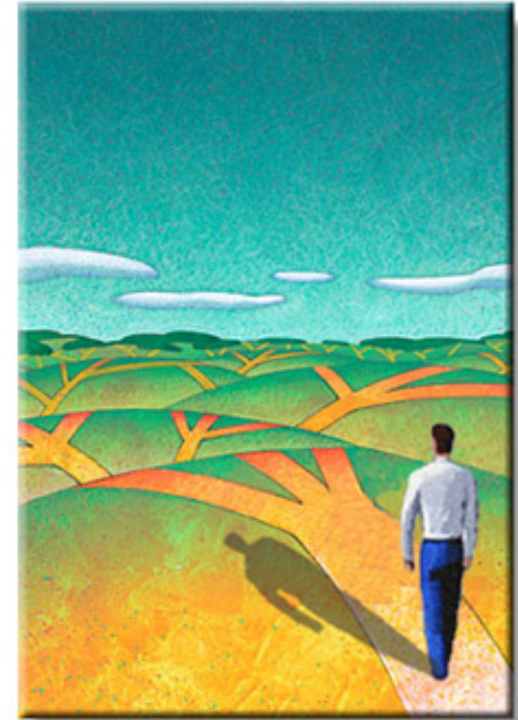
Not "pumping oil"!



Copyright Ragnhild Sohlberg, Ph.D.
Version for posting on Torske Klubben's
website.ppt

Norwegian Success Criteria

- Alert negotiators (1963-65)
- Bold decisions (1963→.....)
 - Limited competence
 - Limited capital, but access to foreign capital
- Principles/criteria for the oil- and gas activity (1972)
 - 50% government participation (later modified)
- Build-up of national competence and technology
- "Oil fund": The Government Pension Fund, and the rules for limiting the "Dutch disease" (2001)





Just in time!

Agreement in 1965 between Norway, Denmark, and the UK on North Sea maritime boundaries.

Ekofisk discovered in 1969, production started in 1971. Production expected to continue at least until 2050.

Ormen Lange - One of the most demanding offshore developments in the industry



If you can make it
here, you can
make it anywhere

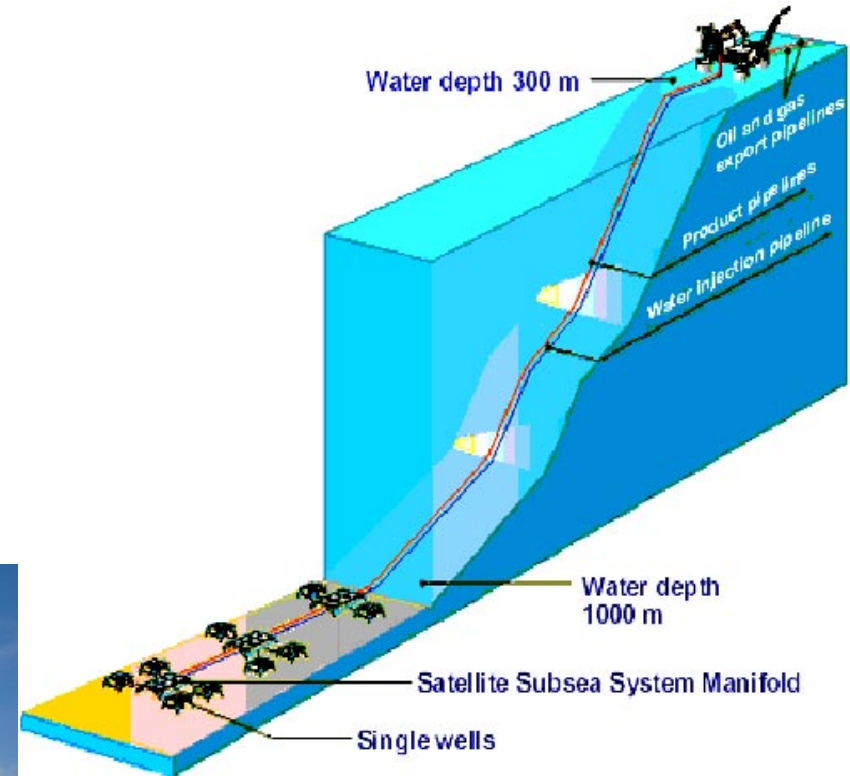
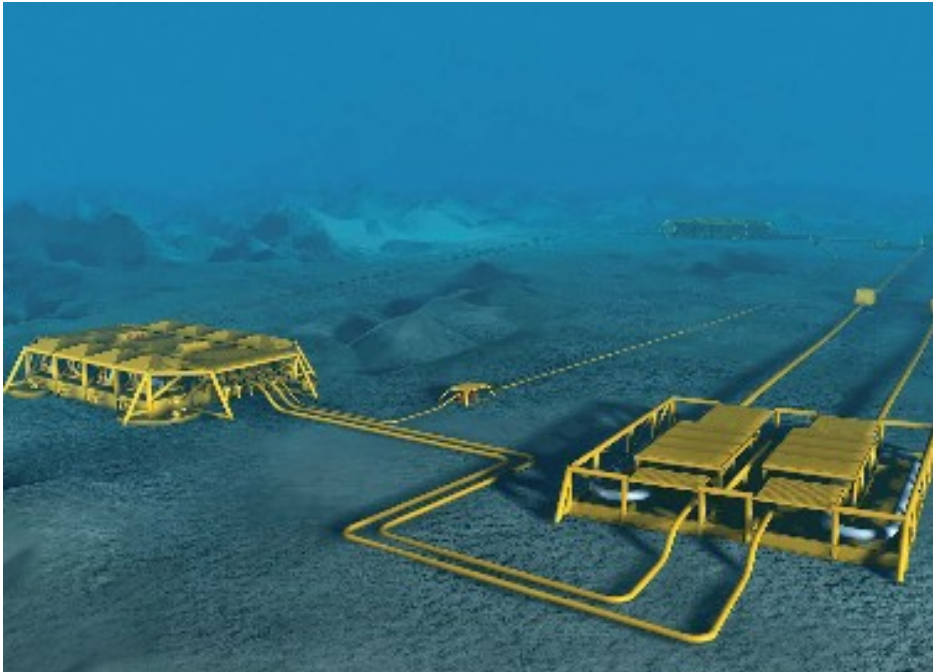
Ormen Lange

Norway

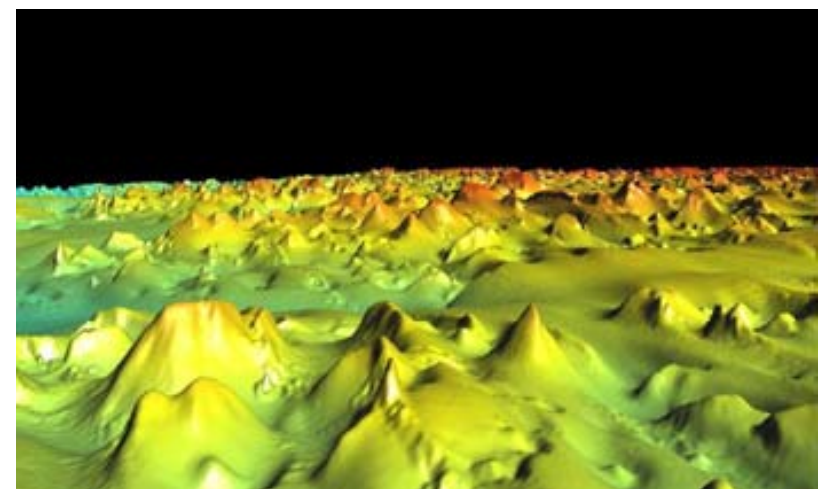
Iceland

Scotland

Ormen Lange



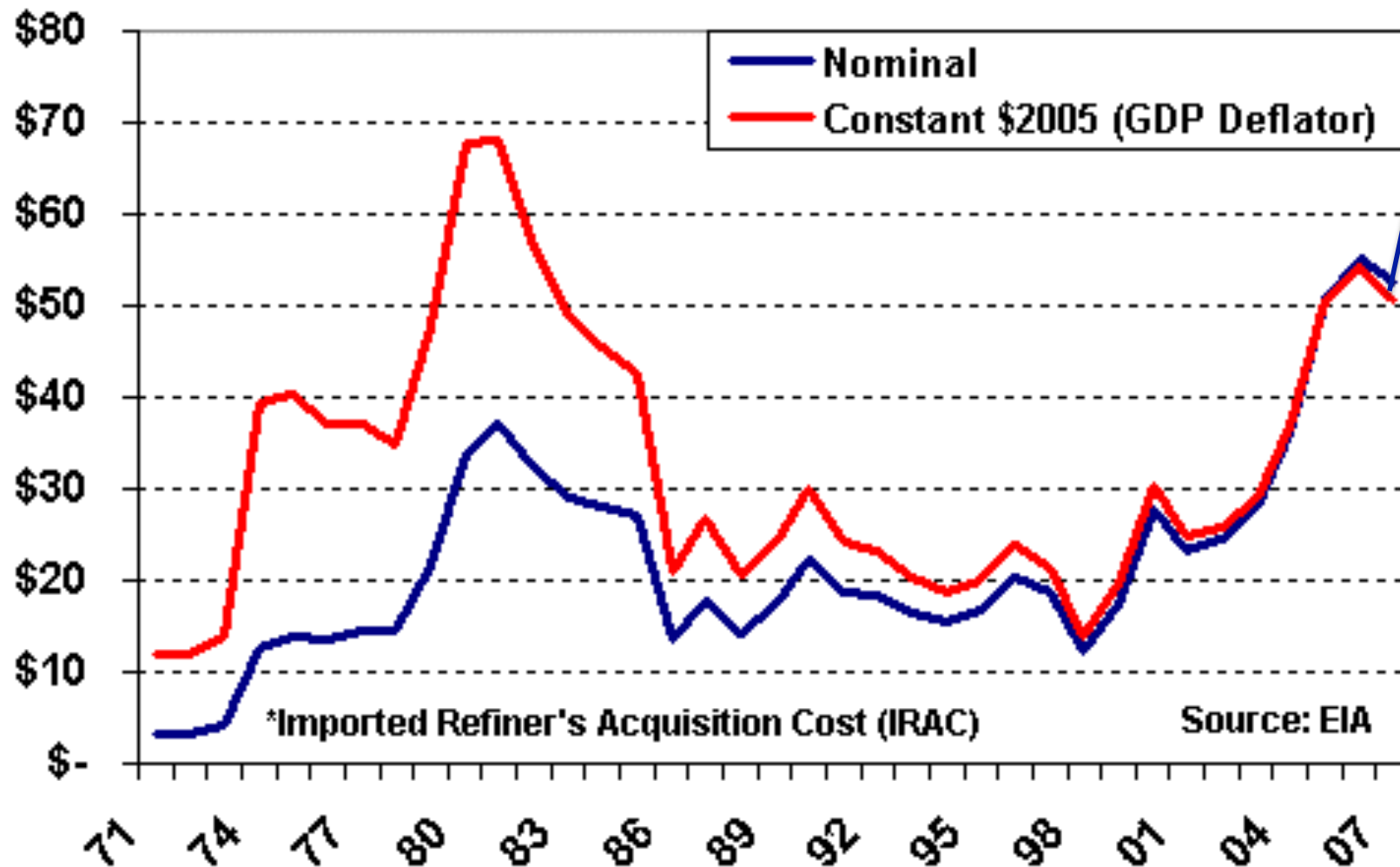
Water depth: 1000 m (ab. 3 300 ft)
Reservoir: Ab. 2000 m. (ab. 6500 ft)
below sea bed. (Total ab. 10 000 ft, 1.86 miles)



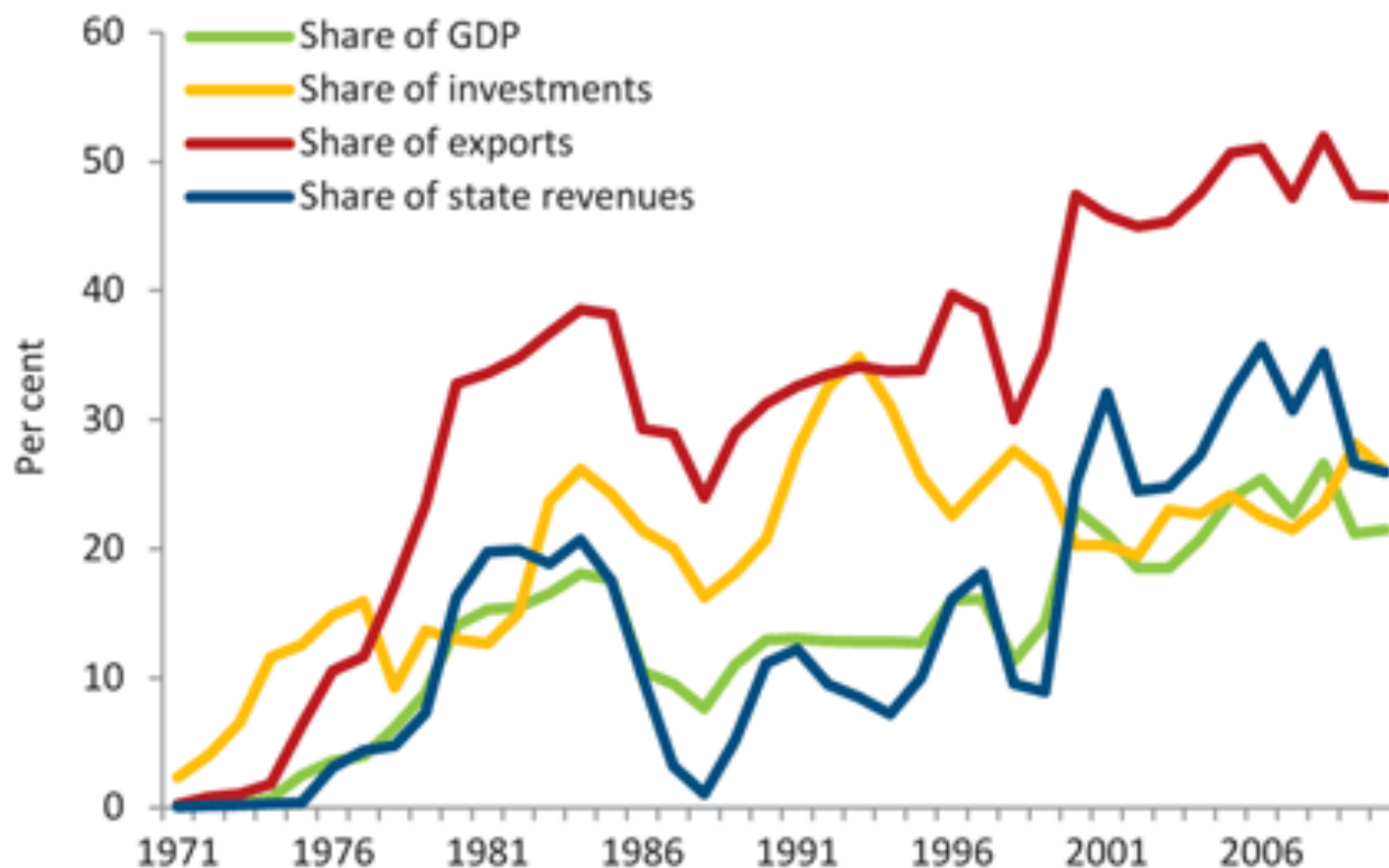
Copyright Ragnhild Sohlberg, Ph.D.
Version for posting on Torske Klubben's
website.ppt

USD 110,23
Sep. 26, 2012

Crude Oil Prices*, Real and Nominal



Macroeconomic Indicators for the Petroleum Sector

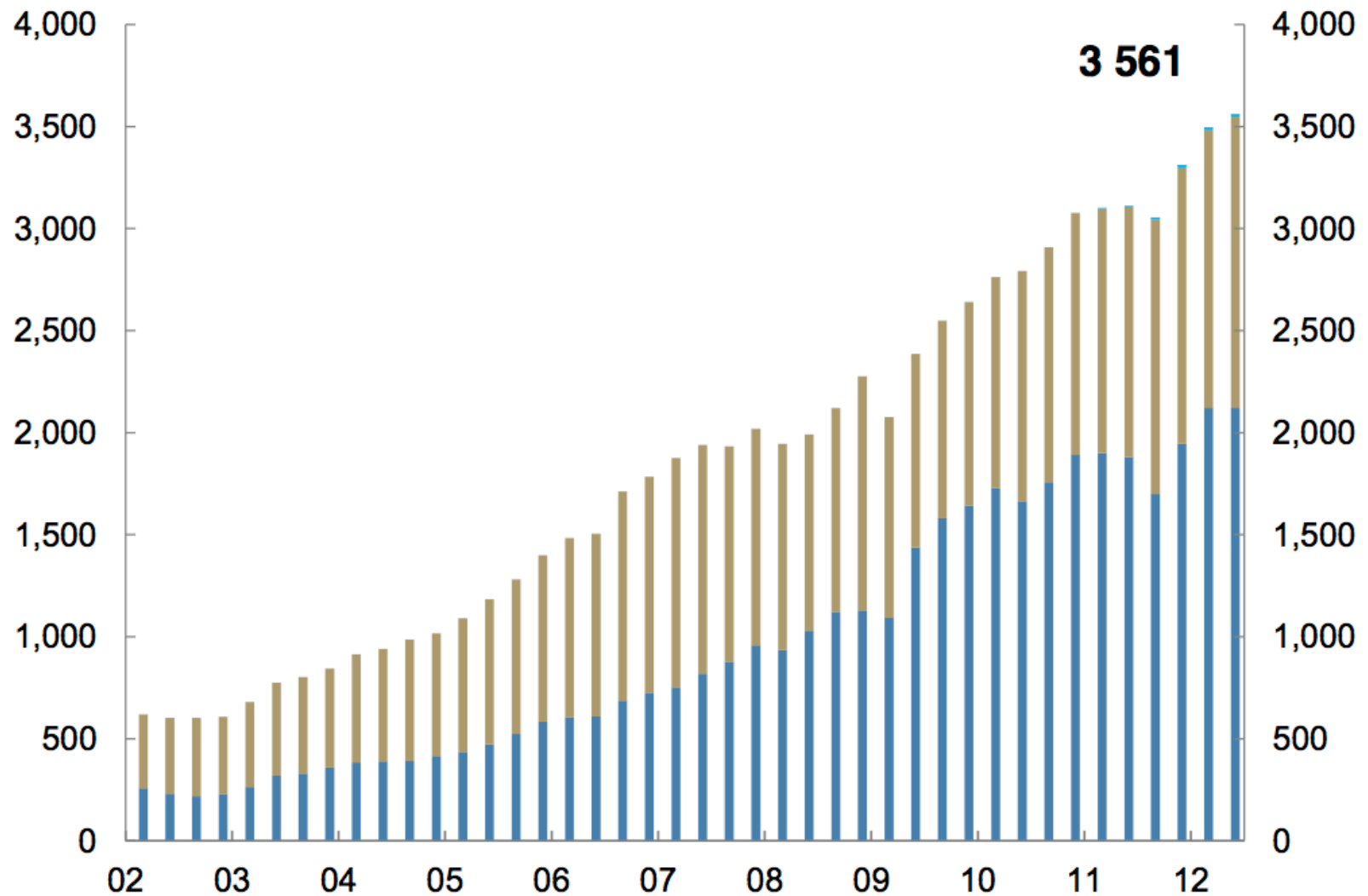


Source: The Norwegian Petroleum Directorate

Copyright Ragnhild Sohlberg, Ph.D.
Version for posting on Torske Klubben's
website.ppt

Fund's market value

Quarterly numbers. Billions of kroner



Source: <http://www.nbim.no/Global/Reports/2012/Q2/2Q%202012%20presentation%20final%20version2.pdf>

Copyright Ragnhild Sohlberg, Ph.D.
Version for posting on Torske Klubben's
website.ppt

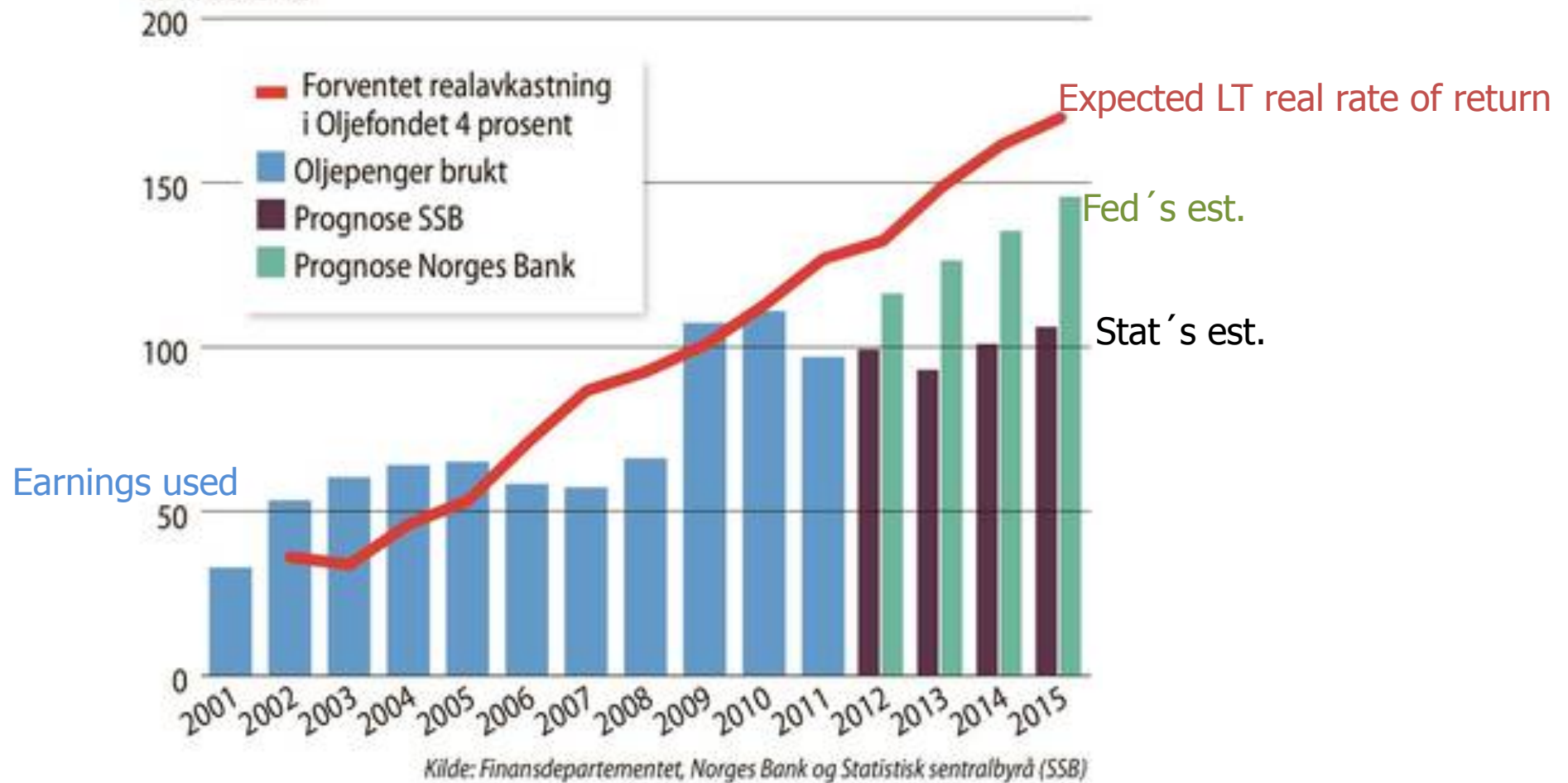
Bruker mindre oljepenger

Bruken av oljepenger på statsbudsjettet, regnet i faste kroner.

*SSB= Statistics Norway

*Norges Bank =
Federal Reserve Bank

Mrd. 2012-kr =BNOK



Major Conclusions

- “European Driver”: Common solutions to borderless challenges (wars, environment, economy....)
- EU: Rapid changes, financial and social troubles, but robust in spite of vulnerabilities? Eurozone?
- Norway outside and inside
- Offshore developments extremely challenging, but rewarding!
 - Norwegian offshore competence and technology impressive
- Petroleum era will last for decades, but must ensure livelihood of landbased industry

THAT'S IT FOLKS!!