WILL DEBT BE REDUCED?

DEPUTY GOVERNOR JON NICOLAISEN
The Norwegian Academy of Science and Letters, 9 April 2019
Record-high private debt
Percent of GDP

Source: Norge Bank.
1 Ratio of total debt (C3) to GDP for Norway
Total debt has barely budged
Western Europe and North America. Percent of GDP

Sources: IMF Global Debt Database and Norges Bank
High private debt in Northern Europe

Percent of GDP

Sources: IMF Global Debt Database and Norges Bank

1 Unweighted averages for each group
Substantial wealth – different composition

Net financial wealth as a percentage of GDP¹. 2017

Sources: Statistics Denmark, Statistics Norway, Statistics Sweden and Norges Bank

¹ GDP for Norway overall. Households include non-profit foundations
Strong house price inflation
Real price per square metre. National average in 2015 NOK

Source: Norges Bank
How much housing can an average wage buy?

Number of square metres of housing for an average wage

Source: Norges Bank
Higher debt – lower interest burden
Household debt as a percentage of disposable income. Interest expense as a percentage of after-tax income

Sources: Statistics Norway and Norges Bank.
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