

## **INDIA-NORWAY BILATERAL TRADE**

### **Economy-**

The Norwegian economy is a prosperous bastion of welfare capitalism, featuring a combination of free market activity and government intervention.

The government controls key areas, such as the vital petroleum sector, through large-scale state-majority-owned enterprises. The country is richly endowed with natural resources - petroleum, hydropower, fish, forests, and minerals - and is highly dependent on the petroleum sector, which accounts for nearly half of its exports and over 30% of the state revenues.

Norway is the world's second-largest exporter of gas; its position as an oil exporter has slipped to the ninth-largest, since production has started declining.

Norway opted to stay out of the EU during a referendum in November 1994; nevertheless, as a member of the European Economic Area, it contributes sizably to the EU budget.

Norway boasts of having the world's second largest sovereign wealth fund, valued at over \$500 billion in 2010, into which the earnings from the petroleum sector are invested. After a solid GDP growth from 2004 to 2007, the economy slowed in 2008, and contracted in 2009, before returning to a positive growth in 2010.

### **Key Economic indicators**

GDP (PPP basis)- US\$ 276.4 billion (2010 est.)

GDP (real growth rate): 1.5% (2010 est.)

GDP (composition by sector):

Agriculture: 2.1%, industry: 40.1%, services: 57.8% (2010 est.)

Inflation rate (consumer prices): 2.4% (2010 est.)

Global trade figures: Imports: US\$ 74.02 billion (2010 est.), Exports: US\$ 137 billion (2010 est.)

### **INDO NORWEGIAN BILATERAL RELATIONS:**

India's economic and commercial tie up with Norway is on the upswing. There has been a spurt in trade, investments, transfer-of-technology and other contacts. The current growth in Indo-Norwegian eco-commercial ties is fuelled by complementarities of interest, in sectors such as deep off-shore, shipping, hydro-electricity, Information Technology, Bio-Technology and light consumer goods.

## Trade

| Year        | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009 – 10 | 2010-11<br>(Apr-Sept) |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------------------|
| Export      | 130.20    | 184.18    | 265.65    | 393.67    | 228.91    | 82.3                  |
| Import      | 289.34    | 768.70    | 1,639.55  | 1,120.73  | 907.35    | 268.68                |
| Total Trade | 419.55    | 952.88    | 1,905.20  | 1,514.40  | 1,136.26  | 350.98                |

*Amount in US Dollars Millions*

*Source: Ministry of commerce*

Bilateral trade increased more than 3 times between 2005-06 (US\$ 419 mn) and 2008-09 (US\$ 1514 mn). It stood at 1136.26 US\$ mn in 2009-10. However, the bilateral trade balance has been unfavorable for India throughout.

### *Trade Basket:*

**Key commodities of India's Exports:** Norway imports different items from India in which India has a comparative advantage. Main import items from India include articles of apparels, textile, yarn & fabrics, misc. manufactured articles, metals, non-metal mineral manufacture, fruit & vegetables, furniture & parts, travel goods, hand bags, coffee, tea & spices, footwear.

Key commodities of India's Imports: Norway being a highly developed country offers different electronic and technological items to India. Some of the major exports of Norway to India are: machinery, iron & steel, electronic machinery appliances, general industrial machinery, scientific control equipment, non-ferrous metals, telecom & equipment. The Indian importers have also shown interest in sourcing Norwegian products and services, especially those linked to deep off-shore, shipping, hydro-electricity, metallurgy, telecommunications equipment and select areas of IT.

### **Investments:**

Cumulative FDI inflows (including equity, re-invested earnings & other capital - from April 2000 to March 2011) were US\$ 194.81 billion. *(Data on re-invested earnings and other capital is available only from April 2000, and is estimated by RBI, on an average basis, based upon data for the previous two years)*

Top sectors in India that attracted FDI equity inflows *(from April 2000 to March 2011)* from NORWAY, are:

- Chemicals (Other Than Fertilizers) (45%)
- Electrical Equipments (13%)
- Electronics (7%)

- Drugs & Pharmaceuticals (7%)
- Consultancy Services (4%)

**Some of the Norwegian companies in India are-**

Telenor, Aker Kvaerner, Fred Olsen, NCC international, DNV, Frontier Drilling AS, Dynea AS, Maritime Hydraulics (part of Aker Kvaerner), Hydra lift, Team Tec, Air products

**Some of the Indian companies in Norway:**

Aban of Chennai acquiring full control of Sinvest,  
Wipro- rendering IT services in Norway since 1998,  
Reliance Industries Limited,  
Tata Consultancy Services (TCS) -providing services and solutions for Norwegian customers for close to 10 years,  
IBM-helping Ringnes manage shipping for nearly half a billion liters of beverages annually

**Sectors of Co-operation-**

Shipping and energy, hydrocarbon sector, Bio-Technology, Information Technology, Technology Transfer, Fisheries, Environment