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Norway's government presents measures to secure employment

"Employment for all is our main priority. That is why the Norwegian Government today presents measures to secure existing jobs and create new jobs. We are proposing changes in the fiscal budget for 2009 that will reduce the effects of the international economic setback", Prime Minister Jens Stoltenberg says.

Strongest measures for more than 30 years

"These are the strongest Norwegian measures against unemployment for more than 30 years, and among the most far-reaching fiscal measures taken internationally. The Government monitors the development in Norway's economy very closely, and we will present further measures if needed", Mr. Stoltenberg says.

"The Government's proposals amount to NOK 20 billion. Of this NOK 16¾ billion covers new measures at the fiscal budget's expenditure side, while NOK 3¾ billion is targeted tax relief for trade and industry. We expect to increase the use of petroleum revenues by NOK 43 billion from 2008 to 2009. This will offer wide-ranging measures for employment, welfare and the environment. In addition to this the Government will on 9 February present new measures to enhance the lending capacity of Norwegian banks", Minister of Finance Kristin Halvorsen says.

Emphasis on municipalities, construction and communications

"We will fight unemployment and upgrade Norway. Municipal authorities are vital partners in this. That is why we will increase municipal budgets by NOK 6.4 billion. This will make it possible to renovate and build new schools, nursing homes and churches", Minister of Transport and Communications Liv Signe Navarsete says.

"We will undertake maintenance and invest in railways, roads and harbours nationwide, and will increase the communications budget by NOK 3.8 billion. We will speed up, renovate and launch new construction projects amounting to NOK 2.8 billion. In this way we will better secure universities and colleges, hospitals, sports facilities and cultural centres for the future", Ms. Navarsete says.

"The measures we present today will benefit trade and industry all over the country. There is a good regional balance in our emphasis on municipalities and communications as well as in our tax measures", the Minister of Transport and Communications says.

Green profile

"We will upgrade Norway both by reducing the emission of greenhouse gases and by concentrating on the environment. Our measures have a clearly green profile. We will increase efforts to save energy and transfer to renewable energy by NOK 1.2 billion. These measures are in line with the broad climate agreement in the Storting (Parliament). We will step up efforts to protect cultural monuments in the Year of Cultural Monuments, and we will enhance efforts to uphold coastlines and national parks for the benefit of the general public", Minister of Finance Kristin Halvorsen says.

"We will build recharging stations for electric cars and increase the use of bioenergy and step up research on off-shore windmills. The strengthening of railways, footpaths and bicycle roads is a very important part of our increase in the communications budget. Maintenance and construction projects will secure more energy-efficient buildings and an improved indoor climate because new building regulations will be implemented", the Minister of Finance says.

Employment, readjustment and skills

"We will spend more than NOK 2 billion on readjustment and innovation in trade and industry. To this we add

increased borrowing limits and tax reduction for companies. We will strengthen Innovation Norway, the investment company Argentum and the export credit agency GIEK. Allocations to NAV (Norwegian Labour and Welfare Administration) will be increased in order to care for people losing their job, and we will improve redundancy regulations and step up apprentice subsidies. Increased efforts in various fields will secure active state measures for companies, branches and regions hit by unemployment, and where planning for the future will be vital", Minister of Transport and Communications Liv Signe Navarsete says.

Cyclical tax relief

"We introduce cyclical tax relief for 2008 and 2009 in order to help companies that are profitable in the long run through difficult times. Our proposal will give such companies a temporary possibility to re-allocate deficits of up to NOK 5 million. In total for both years this will mean at least NOK 7 billion in lower taxes and enhanced liquidity for these companies. The recorded effect in 2009 is estimated to NOK 3¼ billion in reduced tax revenues", Minister of Finance Kristin Halvorsen says.

Further measures needed

"We have been in close contact with trade, industry and organisations to find out what is needed in order to prepare an optimal package of measures. We have had a good dialogue with the opposition, which is reflected in the Government's proposal. The Government and Norges Bank (Norway's central bank) has already carried out measures aimed particularly at the finance sector and the money and credit markets. On 9 February the Government will propose new measures to increase the lending capacity of Norwegian banks, to make it easier for trade, industry and households to obtain new loans", Minister of Finance Kristin Halvorsen says.