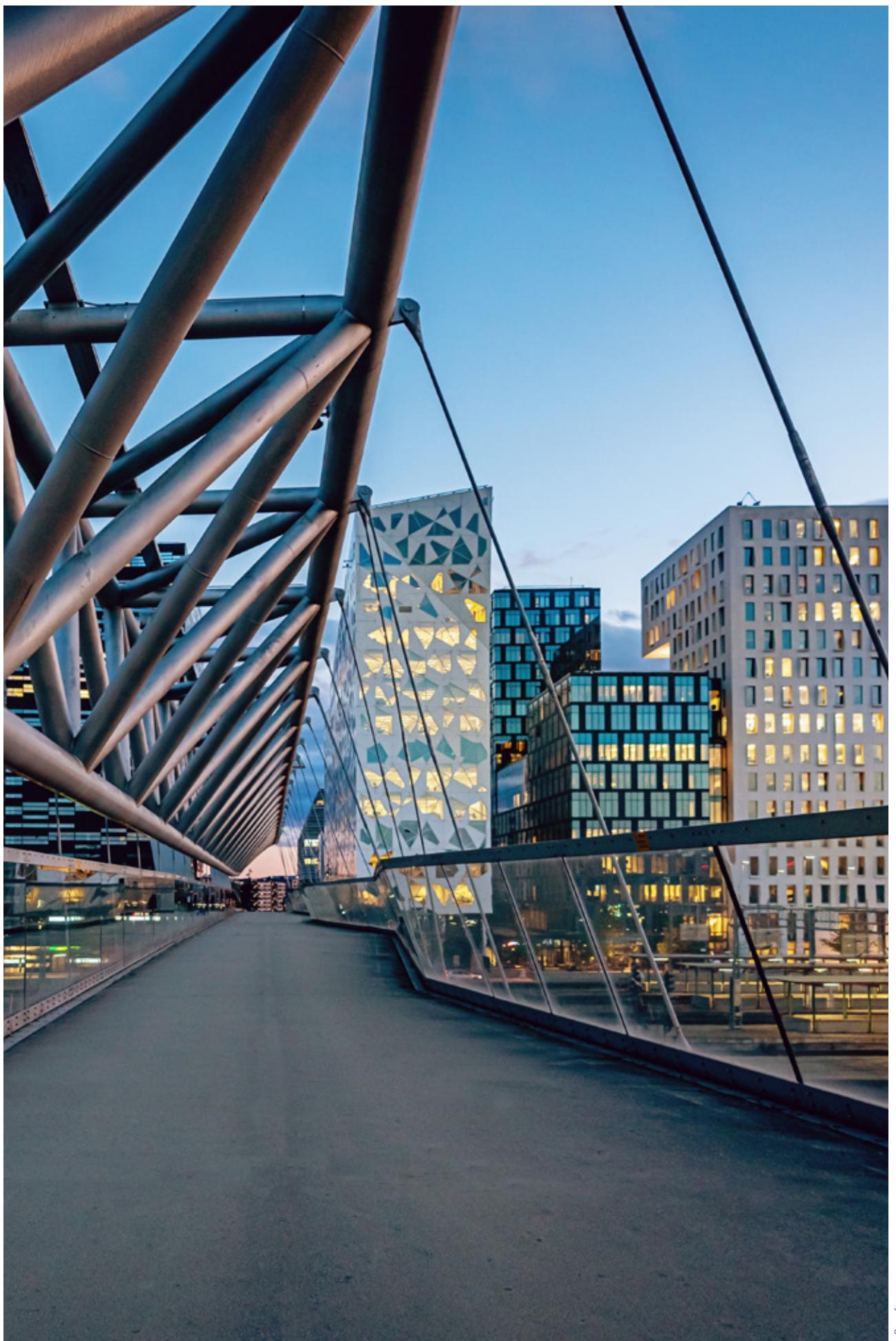




The Norwegian Government's action plan for export





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1. PREFACE

Norway's prosperity depends on the Norwegian business community having access to international markets in order to buy and sell goods and services. Exports contribute to value creation in Norway. The Norwegian economy and business community currently find themselves in an extraordinary situation. Norway has been through an economic downturn, and there have been signs of increasing protectionism, less predictable market access and increasing competition in our export markets for some time now. In addition, the global economy and business community are at the start of a significant transition to reduce greenhouse gas emissions.

The coronavirus pandemic, which began to spread in early 2020 and subsequent measures to prevent infections, have led to a dramatic decline in global demand for goods and services. The resulting economic crisis has led to significant adverse impacts on Norwegian exports and the operations of Norwegian companies abroad. The reduced demand internationally particularly affects businesses which operate in competitive markets. In addition, lower oil prices have led to cutbacks in investments in the petroleum sector and a reduction in demand for services from the supply sector. Jobs have been lost. National furlough schemes, compensation schemes and increased grants for technological development, innovation and restructuring have all been essential measures to help both large and small export companies across the country through the crisis. Internationally, Norway's export-oriented policy instruments have helped Norwegian businesses and their employees to handle challenges and issues arising from the coronavirus crisis. However, the crisis also presents new opportunities. Some industries are experiencing an increase in demand, and the crisis is likely to accelerate the work towards a green and digital shift, both in Norway and in other countries.

Against this backdrop, the Government is presenting an action plan for exports. The aim of this action plan is to maximise value creation within a sustainable framework. Increased exports and international trade are not goals in themselves, but an instrument for achieving the goal of increased value creation. Exports

have impact on value creation through many channels and mechanisms. The measures set out in this export action plan is meant to contribute to more competitive businesses being able to export goods and services which are in demand in the global markets. The aim is to boost value creation in Norway and ensure that Norwegian exports help to build up the Norwegian business community in the wake of the coronavirus crisis.

The Government presented its "Strategy for Export and Internationalisation" in 2017. This export strategy remains in force and aims to ensure that Norway strengthens and develops its position as a trading nation, partly by securing market access, increasing exports from existing export industries, facilitating new export industries, attracting foreign investment to Norway and streamlining and targeting policy instruments. The measures set out in this action plan build on the export strategy in light of the new challenges and opportunities we now face as a result of the coronavirus crisis.

To boost Norwegian exports, we must to a greater extent focus on strategic initiatives than is currently the case. Our ambition should be to promote industries with competitive advantages and show and connect them with specific opportunities in the global markets. Businesses, industry organisations, clusters, public policy instruments and the foreign service possess valuable expertise as to opportunities in the markets and knowledge of Norwegian competitive advantages.

In order to achieve the goal of boosting value-creating exports, it is essential to draw on this expertise in a simpler and more effective way, so that we can work together towards common prioritized areas. In a dialogue with the business community, we will therefore look at how public services can best be aligned to help businesses seize opportunities where they are willing to invest time and money. In this way, the business community and the public instruments will collectively help to ensure that we get the right industry to the right market at the right time. To support these strategic initiatives, we are proposing to step up the state's efforts to promote exports, an initiative we will return to in the National Budget for 2021.

We will make greater use of the clusters and networks in our export work, and we will restructure the public export financing system to ensure that our financing schemes for value-added exports become even more effective. The business community's access to international capital and expertise will be secured through further initiatives from Invest In Norway, and

we will also become better at exploiting the major export opportunities that are inherent in the EEA Agreement. Good and predictable market access forms the basis for everything we want to achieve within the field of exports. We are therefore giving priority to further development of international trade regulations, simpler and more flexible flows of goods and services and, last but not least, negotiating more trade agreements and also make better use of them.

The Government has received extensive feedback and inputs while drafting the action plan, and many consultation meetings have taken place. Several of the comments received have resulted in measures being proposed in the action plan. The comments have also highlighted the importance of powerful, swift and targeted measures to counteract the economic consequences of the coronavirus crisis. We greatly appreciate this input and look forward to productive collaboration during the implementation of the measures in the action plan.



Iselin Nybø
I selin Nybø
Minister of Trade and Industry



Ine Eriksen Søreide
Ine Eriksen Søreide
Minister of Foreign Affairs



Odd Emil Ingebrigtsen
Odd Emil Ingebrigtsen
*Minister of Fisheries
and Seafood*



Tina Bru
Tina Bru
*Minister of Petroleum
and Energy*



Sveinung Rotevatn
Sveinung Rotevatn
*Minister of Climate
and the Environment*



Photo: Gettyimages

2. THE GLOBAL TRADE SITUATION – NEW CHALLENGES AND OPPORTUNITIES FOR NORWEGIAN EXPORT COMPANIES

International developments suggest it will become more difficult for companies to invest internationally in the time ahead. In recent years, global trade has been characterised by increasing protectionism, trade disputes and a reduction in support for the rule-based global trading system. In particular, US's exit from multilateral trade cooperation and the country's greater use of unilateral trading measures have increased uncertainty in the markets. In the future, the growing distrust between the USA and China may put Norwegian and European businesses in a difficult situation. The adverse effects of the coronavirus pandemic have aggravated an already challenging situation in global trade and for Norwegian exports in particular.

The World Trade Organization (WTO) expects to see a decline in global trade of between 13 and 32 per cent in 2021. A survey conducted by Oslo Economics in May 2020 among Norwegian companies confirms that the decline in demand resulting from the coronavirus pandemic is the main reason for the decrease in turnover being experienced by most industrial enterprises. For export-oriented enterprises, this is due to a lack of demand from abroad. Small businesses are being hit harder than big businesses. Export businesses are also reporting challenges with regard to deliveries of international goods and services and access to personnel from other countries. This is partly due to changes in transport capacity, higher shipping costs and travel restrictions. Many Norwegian businesses are dependent on imported raw materials and are part of increasingly complex global value chains. This also means that businesses, and the local communities in which they operate, are becoming vulnerable to changes in the markets.¹

In June, the International Monetary Fund (IMF) warned that global GDP will decline by 4.9 per cent in 2020 as a result of the coronavirus pandemic. According to the OECD's calculations from September, global GDP will fall by 4.5 per cent. The OECD estimates that the crisis

will impact different countries in very different ways. The United Kingdom can expect a fall in GDP of around 10 per cent in 2020, while the corresponding figure for Germany is a fall in GDP of about 5 per cent. The prospects for growth in the global economy depend on many factors, such as how the coronavirus pandemic unfolds, the duration of infection reduction measures, the impact on activity levels and the effects of fiscal and monetary policy support measures. This uncertainty is likely to persist for an extended period of time. The OECD predicts that the economic crisis will last longer and be more severe than the financial crisis of 2008. Although some recovery is expected next year, the GDP of many countries towards the end of 2021 is still expected to be below the level it was at in late 2019.

New trade restrictions due to the coronavirus pandemic
Customs barriers and differing regulations and product requirements complicate cross-border trade. The coronavirus pandemic has led many countries to impose temporary restrictions on trade, particularly as regards medical equipment and chemicals, but also for some food products. In Norway, we have introduced regulations to limit exports of medicines in order to safeguard supplies. The Norwegian regulation imposes on wholesalers to report any parallel exports of some medicines and ban such exports if there is reason to believe that access to medicines in Norway could be at risk. In many countries, the pandemic has led to debate regarding the need to increase national

¹ Socio-economic analysis, "Verdikjeder i Norge", from April 2020. <https://www.regjeringen.no/contentassets/4c45ce92ef804c01ba63982c005c9f6b/r16-2020-verdikjeder-i-norge.pdf>



The company Epiguard ensures safe transportation of patients in the EpiShuttle. The company has received help from Innovation Norway in a number of countries, and now has customers all over the world.

output in order to avoid the vulnerability that arises from dependence on imports of critical input goods, technology, food products and consumer goods. In addition to coronavirus-related trade measures, many countries are introducing new and more restrictive trade and investment barriers.² This could put global value chains under pressure, affect trading patterns and reinforce the negative trend of increasing trade barriers. However, the big picture to date is that global supply chains have functioned well during the crisis and that supply shortages have been limited.

The crisis has led to greater use of state aid in the form of aid packages to the business community. For example, the EU has temporarily amended the rules concerning state aid to enable Member States to secure liquidity for

the business community and maintain economic activity. The amended rules apply to the entire Single Market, including Norway.³ Government subsidies can have a major impact for individual businesses and industries, but they can also make it harder for exporters to maintain their market position as a result of being forced out by subsidised competitors or discriminated against in relation to local industry in international markets. It can be challenging for countries to find the right balance between subsidy levels and maintaining a level playing field. Countries with a strong economy may be able to recover from the crisis in a better way than others because they have more resources at their disposal. This can lead to new trade conflicts, both globally and within the EU. For Norway and Norwegian exporters, it is important that the extraordinary trade restrictions and other financial support measures stemming from the coronavirus situation are proportionate and only continue for as long as is necessary. However, the fact that it often takes longer to discontinue subsidies and other measures than it does to introduce them represents a challenge.

New opportunities for Norwegian exports

In recent years, the Norwegian business community has undergone a major restructuring process as a result of the financial crisis in 2008 and the drop in the price of oil in 2014, and is now adapting to a low-emission society through the green shift. These events can present new opportunities for Norwegian exports. In addition, new trading patterns and greater digitalisation arising from the coronavirus crisis can generate new export opportunities. Some industries have experienced an increase in demand as a result of the pandemic, particularly those delivering goods and services within health, ICT and digital solutions. Norwegian businesses which deliver goods and services to the health service can reach a large international market. This was also a topic in the white paper on the health industry, which was presented in 2019.⁴ Changes in trading and consumer behaviour during the coronavirus crisis may lead to more lasting changes in society. For example, we can see signs that the coronavirus crisis will speed up the digitalisation of society through the greater use of e-commerce, e-learning, computer games, video conferencing solutions, cloud services and new

2 Report from the Commission to the Parliament and the Council on Trade and Investment Barriers, 2019. https://trade.ec.europa.eu/doclib/docs/2020/june/tradoc_158789.pdf

3 The EEA Agreement and Art. 61(1) on state aid.

4 Report to the Storting (white paper) No. 18 (2018-2019) – The health industry — Working together on value creation and better services <https://www.regjeringen.no/no/dokumenter/meld-st.-18-20182019/id2639253/>

Sustainability and responsible business as a competitive advantage

Norwegian companies operating on the international stage often face dilemmas and greater challenges than in Norway, linked to issues such as human rights, working conditions, climate and the environment, and poverty and corruption. The coronavirus crisis is one example of a challenge which has altered the risk picture and which the business community must tackle according to the principles of responsible business. The Norwegian authorities want Norwegian companies to continue to have a presence in countries which are less developed than Norway. This is important both for value creation in Norway and from a development perspective.

The Government expects Norwegian companies to comply with Norwegian law, to act responsibly, and to comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This applies to all Norwegian companies, whether under private sector or public sector ownership and regardless of whether they

operate in Norway or abroad. The National Contact Point for Responsible Business Conduct Norway aims to promote the OECD's guidelines and address issues concerning compliance with the guidelines. The Government also expects Norwegian companies to contribute to the follow-up of the sustainable development goals. The 17 sustainable development goals were adopted by all UN member states in 2015 and provide a roadmap for global efforts relating to sustainable development.

The Norwegian business community is already contributing to the follow-up of sustainable development goals through innovation, investment and competence development, and through creating jobs around the world. More and more companies are realising that a strategic approach to sustainable development and accountability can offer comparative advantages, and that investors, customers and government actors are increasingly concerned about this issue.

software. The coronavirus situation has also resulted in a marked increase in the use of e-consultations among healthcare professionals. Among GPs, for example, the proportion of consultations taking place digitally or by telephone rose from 5 per cent to 60 per cent in March 2020. The trend towards smarter cities, i.e. cities which use digital technology to become more productive and improve the quality of life of their inhabitants, is likely to continue. Demand for new solutions within biotechnology, nanotechnology, artificial intelligence and e-health is also expected to increase.

In many countries, including Norway, a view has been put forward that aid packages offered by the government to the business community due to the coronavirus pandemic should contribute to a green shift in society. The EU is also seeking to ensure that economic relief measures in connection with the coronavirus pandemic support a green and digital shift. For example, 30 per cent of the EU's "Next Generation

EU" recovery fund will be spent on climate-related purposes in line with EU policy objectives. In particular, the EU's European Green Deal is an ambitious plan to transform the EU into a modern, resource-efficient and competitive economy with zero net emissions by 2050.

The focus on the environment and climate can open new doors for Norwegian solutions, both in Norway and internationally. It is desirable that products and services with a small climate footprint and a low environmental impact should have an expanding market, while products and services that do not stand up to the climate and environmental challenges should have a declining market. The climate commitments that countries have signed up to through the Paris Agreement are a driving force for new policies which support this development. This also applies to banks and financial institutions. Among other things, the climate risks associated with enterprises are likely to be given greater emphasis by financial operators in the future.

Salmon cage in fjord. A sustainable increase in the commercial production of fish, shellfish and seaweed in Norway will create future jobs, value creation and export revenues.



Photo: The Norwegian Seafood Council/Johan Wildhagen

3. NORWEGIAN EXPORTS AND THE KEY MARKETS

The aim of this action plan is to maximise value creation within a sustainable framework. Increased exports and international trade are not goals in themselves, but an instrument for achieving the goal of increased value creation. On behalf of the Norwegian business community, the Government is therefore aiming to ensure that more competitive businesses export goods and services which are in demand amongst the global markets, and that increased exports will help to build up the business community in the wake of the coronavirus crisis.

Norwegian companies produce goods and services which are in demand in world markets and global value chains. Figures from 2019 show that Norway exported goods and services worth NOK 1,300 billion, which accounted for 37 per cent of GDP. Exports from Norwegian companies provide the foundations for more than 600,000 jobs in Norway⁵.

Exports impact on value creation through many channels and mechanisms. International trade helps to ensure that society's resources can be utilised more efficiently. This is partly because market expansions enable the international division of labour and specialisation. Overall, we can make better use of our resources by buying and selling in a larger market than Norway. Specialisation allows the most productive companies to export, and the tougher competition contributes to the growth of productive businesses at the expense of unproductive ones. Norwegian companies which have access to a larger market can take advantage of economies of scale in production. Access to international markets is therefore essential for many Norwegian companies.

Exports and international trade also help to improve the productivity of businesses in Norway. Exports and trade entail more than simply selling goods and services to customers in other countries. The operations of Norwegian export companies often form part of long and complex international value chains. The productivity of export companies is rising because the

companies that take part in these international value chains gain access to new technology and expertise. The learning that arises through companies having a presence in international markets or forming part of international value chains is spread internally both within the company and within the business cluster to which the company belongs in Norway. Such effects are also achieved through direct foreign investment in Norway and Norwegian direct investments abroad.

What do we export?

Norwegian exports are dominated by a small number of large companies. The largest one percent of companies accounts for 70 per cent of Norwegian exports.⁶ Small and medium sized enterprises have fewer resources at their disposal to carry out international initiatives than large enterprises, and are often unable to take the risks associated with such ventures. However, many subcontractors to the major companies are small and medium sized enterprises, and the success of the major companies in international markets is therefore also important to them. Businesses often gather together in clusters to exploit the advantages of sharing subcontractors, labour markets and infrastructure. It may therefore be appropriate to seek to boost exports from an entire industry or cluster.⁷

Exports of goods, including oil and gas, accounted for almost 70 per cent of the total export value from Norway in 2019. A characteristic of Norwegian goods exports

5 NHO (2019) "Trade lays the foundation for thousands of jobs across the country". Taken from <https://www.nho.no/arkonferansen-2019/artikkellarkiv/handel-legger-grunnlag-for-tusenvis-av-arbeidsplasser-landet-over/>

6 Ministry of Industry and Fisheries (2019), Strategi for små og mellomstore bedrifter (Strategy for small and medium sized enterprises)

7 NHO (2020) "The Next Step", https://www.nho.no/siteassets/regionblokker/nho-brussel/nho_roadmap-06.10.20.pdf



Nordox is a process industry company in Oslo, and supplies a third of the world marked with copper oxide every year.

2

A growing world population needs food – farming as part of the solution

The growth in the world population means that it will be necessary to increase food production in the future. According to a 2019 UN report, it is possible to produce six times more food from the sea than is achieved at current production levels. Norway has natural advantages thanks to its elongated coastline and clean and productive waters. Norway is one of the world's largest seafood exporters, and we have many internationally recognised experts within the field of sustainable fisheries and aquaculture. The seafood we sell must be healthy and safe in order to safeguard public health, and it must have both a strong reputation and the trust of the market and the consumer. Food from the sea can be produced with a relatively small

environmental footprint. At Rio 2012, world leaders stressed the importance of sustainable fisheries and aquaculture for food safety and nutrition. The UN Committee on World Food Security (CFS) has also concluded that sustainable fisheries and aquaculture play a vital role in food safety and nutrition. Sustainably produced fish can contribute to sustainable diets based on both environmental and nutritional considerations. The sustainable management of our marine resources is a cornerstone of Norwegian fisheries and seafood policy. An increase in the commercial production of fish, shellfish and seaweed in Norway will create future jobs, value creation and export revenues.

is that we export large quantities of raw materials and semi-finished products, including oil, gas, fish and metals. Seafood is our most important export commodity after oil and gas. The export value of seafood has more than doubled in nominal prices over the last ten years, and seafood exports passed NOK 100 billion in 2019. Enterprises in the processing industry, which produces aluminium, ferroalloys, mineral fertilisers and refined petroleum products, are also important commodity exporters. Common to the raw material-intensive industries is that they have developed advanced supply industries and technology clusters which also export equipment worldwide. For example, the oil and gas supply industry is one of Norway's largest export industries, and has developed thanks to a strong domestic market.

Norway also has industries which are not raw material-based and which have managed to gain a strong position in international commodity markets. The maritime industry is a major exporter of ships and equipment. The defence industry supplies defence equipment and technology to many countries around the world and is heavily involved in collaboration with similar companies among many of our allies. The design and finished goods industry, which produces furniture, fashion and electronics, has shown a positive trend in exports in recent years, as has the health industry, which supplies care equipment and health technology, among other things. The cultural and creative industries are expanding. Computer games are Norway's largest cultural export, followed by music and literature. However, Norwegian exports of computer games are far below the levels of similar exports from Sweden and Finland.

Exports of services accounted for around 30 per cent of the value of exports in 2019. The majority of Norwegian service exports can be linked to maritime and offshore operations. The maritime industry is a major exporter of shipping services and related services such as design, insurance, brokerage, classification and finance. The petroleum industry exports engineering services, among other things. Recent years have witnessed increases in exports of ICT, finance and tourism services. As a result, Norwegian service exports are now somewhat more differentiated than they were in the past.⁸

⁸ Merton Economics, "Omfang og betydning av handel med tjenester for Norge" (Scope and importance of trade in services for Norway), 2016 <https://www.nho.no/contentassets/d26a57794bdf4b9e95a355b0af5562b1/omfang-og-betydning-av-handel-med-tjenester-for-norge.pdf>

Figure 1: Development in the seafood export 2009-2019

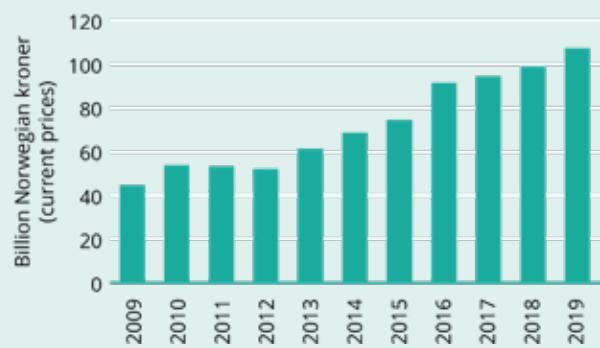


Figure 2: Ten largest markets for Norwegian seafood in 2019

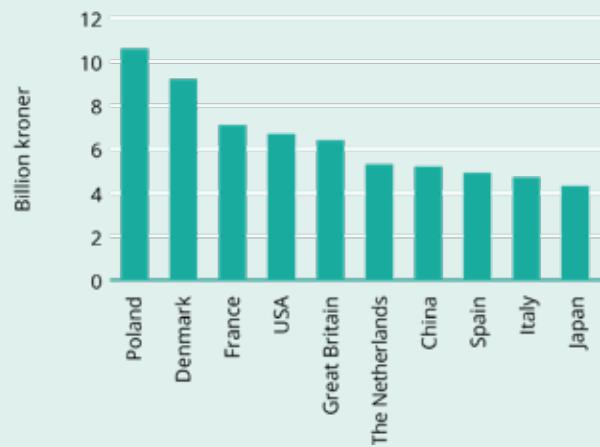
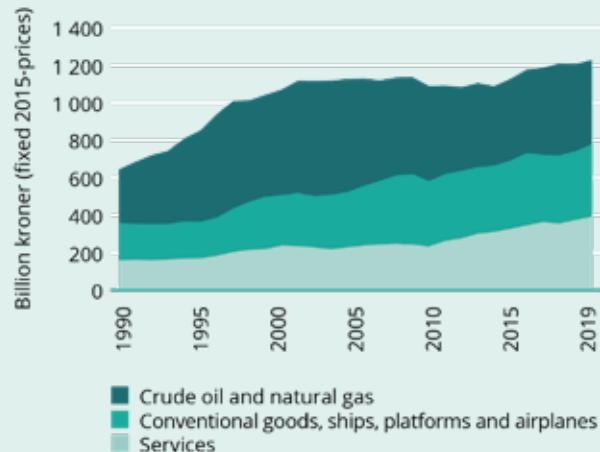


Figure 3: Development in the export of goods and services the last 30 years



Source: The Norwegian Seafood Council / Statistics Norway



Photo: Mariett Berentsen

Platform in the Sleipner area, which is a hub for gas exports from the Norwegian Continental Shelf to Europe.

3

Norway is a laboratory for innovative blue industries and green transport at sea

According to Menon Economics, more than 200,000 people worked in the Norwegian maritime industries (oil and gas, shipping and seafood) in 2017, which accounted for 11 per cent of jobs in the private sector. Based on the Menon Economics cluster concept, the maritime industries are responsible for a total value creation of NOK 680 billion. The Government is aiming to support further sustainable growth and employment in established and emerging maritime industries. The world's population will be approaching 10 billion by 2050, and an ever-increasing number of people will have more purchasing power. As a result, demand for food, energy, resources, goods and services is likely to rise. This implies that there is potential for further growth for the Norwegian maritime industries. Norwegian experience, expertise and technology can also lead to growth in new maritime industries, including the capture and storage of CO₂ on the Norwegian continental

shelf, the farming and catching of new species, offshore wind power and subsea minerals, as well as within green shipping. The maritime industries can play key a role both in the recovery process following the coronavirus crisis and in the development of a more sustainable economy. Norway is considered to be a leading player and an attractive partner within the maritime sector. Norway demonstrated leadership as host of the sixth Our Ocean conference in 2019. The High Level Panel on Sustainable Ocean Economy under the leadership of Prime Minister Erna Solberg is drawing up a holistic set of recommendations within management, technology, industry and finance. The Government's updated ocean strategy, *Blå muligheter* (Blue Opportunities) was presented in June 2019 and represents a continuation of the Government's ocean strategy and the white paper on the ocean in foreign and development policy from 2017.

The Government wants to ensure that Norway continues to export goods and services from the major traditional industries in which we have built up competitive advantages. The Government also wants to ensure that Norway can be a supplier of the solutions of the future in new industries. Many of the industries which have witnessed a positive trend in exports in recent years, and which can help to diversify Norwegian exports in the years to come, form part of value chains with small as well as large enterprises, and often supply a combination of goods and services. Many originate in the traditional industries. Examples of such industries include equipment and installation services for offshore wind power, zero-emission solutions for maritime transport, design and finished goods, specialised food products from both land and sea, and products and services within health and care. For more information on some of these, see Box 4. There is also potential to increase exports within bioeconomics. Norway is a world leader as regards expertise in modern timber constructions

and contributes to the export of expertise in climate and environmentally friendly building solutions. There is also potential to increase exports of Norwegian agricultural technology, which is also an area where green solutions are exported. It is desirable that Norway delivers solutions which contribute to the green shift.

Key export markets

Export destinations for the Norwegian business community have remained stable for many years. The most important export market for Norway is still Europe. Figures from Statistics Norway show that around 80 per cent of goods exports and half of Norway's exports go to the EU. Excluding oil and gas, 65 per cent of all Norwegian mainland exports go to the EU. The EU will continue to be our main trading partner after the UK leaves the EU. However, the UK is a very important market for Norwegian businesses, and in 2019 was our largest trading partner for goods in Europe, followed by Germany and Sweden. Outside Europe, around

Figure 4: Norwegian exports to different continents in 2019, by export value



Green shipping solutions, offshore wind power and hydrogen – the export industries of the future?

NHO's report from 2020 entitled The Next Step – A Roadmap for the Future of Business identifies value chains with substantial export potential. The value chains surrounding the maritime industry, offshore wind power and hydrogen are among the ten chains highlighted.

Green shipping has the potential to become a major international market, with significant opportunities for further growth, employment and export of Norwegian solutions. International shipping companies, financial institutions and suppliers are now planning future ship deliveries in the form of low- and zero-emission vessels. The Norwegian maritime industry is leading the way in the development of green shipping. Norwegian ferries were among the first to be electrified. In 2015, Norway had only one electric ferry (Ampere), but more than 70 ferries along the coast will run on batteries by 2022. Battery factories have been established in Norway, and Norwegian pilot projects receive support from public schemes for the development of hydrogen and ammonia. Today, Norwegian suppliers are involved in ferry electrification projects in other parts of the world. The Government's efforts relating to green shipping will contribute to cuts in greenhouse gases and at the same time enhance the competitiveness of the green maritime industry. This autumn, the Government will present a white paper on maritime policy, with the work relating to green shipping being a pivotal aspect of the paper.

The **offshore wind** power market is expanding rapidly on the international stage and presents major opportunities for Norwegian companies. The petroleum, maritime, renewable and supply industries can exploit their unique expertise to create new jobs in the renewable energy sector if offshore wind power becomes a new major export industry. Norwegian suppliers are in the process of positioning themselves in this market, and companies such as Aibel, OHT and Fred. Olsen Windcarrier have landed many major contracts over the past 12 months. The pace of technological development is rapid, and the investments involved in many of the projects are of the same order of magnitude as those being made in oil and

gas projects. Offshore wind power is already the largest export industry in renewable energy, with an international turnover of more than NOK 6 billion in 2018. Norwegian Energy Partners estimates that the Norwegian supply industry could be exporting goods and services worth around NOK 50 billion by 2030. Of this, approximately 85 per cent will be linked to fixed-foundation offshore wind power installations and 15 per cent to floating installations. However, these are uncertain estimates which are based on future investment estimates and estimated market shares for Norwegian companies. The Government supports the development and internationalisation of the industry. In the Green Shift Package of May 2020, the Government decided to establish a new Centre for Environmentally friendly Energy Research with a primary focus on offshore wind power, and with support for a broad industrial partnership to identify and establish supply chains and appropriate industry standards for contract formats and implementation models adapted to the offshore wind power market.

Hydrogen is an energy carrier which can help reduce emissions and generate value for the Norwegian business community. In the Government's hydrogen strategy which was presented on 3 June 2020, high costs and the absence of technological development are seen as pivotal barriers to a possible market for hydrogen. A key goal for the Government is to increase the number of pilot and demonstration projects in Norway, and thereby promote technological development and commercialisation. This goal is supported by a broad commitment to zero-emission technologies and solutions throughout all public instruments. The Research Council of Norway, Innovation Norway and Enova contribute to the development and demonstration of energy-efficient and cost-effective methods and value chains for the production, transport, storage and use of pure hydrogen, partly through joint announcements in the PILOT-E scheme. This initiative was further strengthened in conjunction with the green shift package. The Government will monitor developments and adapt the instruments as necessary in order to facilitate the further development of hydrogen solutions.



Photo: Jan Arne Wold / Woldcam.

**The market for sea wind power grows fast internationally and offers great opportunities for Norwegian companies.
Dudgeon Offshore Wind Farm 22 August 2017.**

10 per cent of all our exports go to Asia, while almost 6 per cent go to North and Central America. Just under 2 per cent of exports go to Africa, while exports to South America amount to just under 1 per cent. However, the importance of the various markets varies from industry to industry. For example, the USA is a very important export market for the defence industry.

There are a number of reasons why Europe and the Single Market are the most important destination for Norwegian exports. Geographical proximity is important, but the EEA Agreement is also of paramount importance. The EEA Agreement ensures common rules for the free flow of goods, services, persons and capital in the Single Market. Norwegian businesses benefit greatly from harmonised regulations for trade in goods and services, as well as predictable framework conditions for investments. Because Norway is part of the EU's Single Market within the food sector, there are for example no border controls or requirements regarding special health certificates in connection with exports of seafood or other food products to the EU. Because of the EEA Agreement, our exports of industrial goods to EU

Member States encounter no customs tariffs. However, we do encounter customs barriers as regards seafood and agricultural products, as the policies within fisheries and agriculture falls outside the EEA Agreement.

Although the EU will remain our most important market, many of the new export opportunities will arise in more distant countries. The positive economic developments taking place in emerging economies, particularly in Asia, have led to a significant increase in the demand for goods and services in these countries. There is considerable potential to increase Norwegian exports to emerging markets. However, the fact that the growth is taking place far from Norway's domestic market is a hindrance for Norwegian companies. Emerging economies often impose stricter restrictions on trade than more mature markets such as the EU and the USA. Many of the countries concerned have complex regulatory regimes and requirements which are difficult and costly for small exporters to adhere to. Cultural differences and different business practices between countries also affect the likelihood of a business succeeding in the market.



The joint exhibition "Norwegian Presence" during the Milan week 2019. The joint exhibition was led by Design and Architecture Norway (DOGA) and is an important arena for Norwegian furniture producers with export ambitions.

4. MEASURES TO PROMOTE VALUE-ADDED NORWEGIAN EXPORTS

The most important step we can take to promote Norwegian exports is to ensure that the business community has an appropriate and stable industrial policy framework within which to operate in Norway. The Government is striving to ensure that Norway is an attractive country to do business in, e.g. through infrastructure investments, digitalisation, simplification and better access to capital. Government schemes for research and innovation will contribute to a more competitive business community, which is a prerequisite for success in international markets.

In connection with the coronavirus crisis, the Government has implemented a raft of economic measures aimed at maintaining the level of activity in the business community. Many of these schemes are vital for the viability of the export industries. The Government is closely monitoring developments and in Prop. 142 S (2019-2020) "om økonomiske tiltak i møte med virusutbruddet" (Prop. 142 S (2019-2020) on economic measures linked to the virus outbreak) presented a status of the schemes that have been implemented and proposals for adjustments to ensure that the collective policy instruments are adapted to the challenges that the business community is facing.⁹ An overview of economic measures can be found on the Government's website and is updated regularly.¹⁰

International initiatives require resources and involve risk, and companies face strong competition in the markets concerned. The economic crisis has weakened the economic situation of Norwegian companies and reduced their access to capital, and many companies will not have sufficient resources to initiate or maintain international initiatives. It is the business community and individual companies which must develop and implement international export initiatives. The Government wants to be a partner for the business community and help to improve access to international markets and value chains, and reduce the costs and

risks associated with international initiatives. The purpose of the measures described in this export action plan is to help more of the competitive businesses to export goods and services which are in demand in the global markets. The aim is to boost value creation in Norway and to ensure that Norwegian exports help to build up the Norwegian business community in the wake of the coronavirus crisis.

4.1 Joint export promotion initiatives following the coronavirus crisis

The public business-oriented schemes are intended to promote value creation within the business community and in Norway at large. Major players such as Innovation Norway and the Research Council of Norway have broadly oriented schemes with considerable competition for the available funds. This helps to ensure that projects with the greatest potential for value creation and socio-economic impact, irrespective of topic, industry and geography are the ones supported.

Many of the instruments and schemes help to promote exports and internationalisation. Within the framework established by the international state aid regulations¹¹ the Government offers collective benefits such as information, expertise, networking and profiling, as well

9 Regjeringen.no: <https://www.regjeringen.no/no/dokumenter/prop.-142-s-20192020/id2765239/>

10 Regjeringen.no: <https://www.regjeringen.no/no/tema/koronasituasjonen/nasjonale-tiltak/id2693684/>

11 International regulations limit the types of support that the Norwegian authorities can provide to the Norwegian business community in order to increase exports. The WTO's subsidy agreement and the EEA Agreement include a ban on direct public export support to businesses. This applies for example to support which is dependent on export volumes or linked to distribution networks or other costs associated with exporting. Support that is dependent on the use of domestic goods or services rather than imported ones is also prohibited.

The export-oriented policy instruments

Innovation Norway offers a wide range of advisory and specialist services to assist Norwegian businesses with regard to exports and internationalisation. Through its network of offices in almost 30 countries, the company provides services such as advice relating to international markets and information to the Norwegian business community regarding markets and competition. Innovation Norway offers advice regarding the technical aspects of trade and the rights of Norwegian companies in the Single Market through its role as a point of contact for the Enterprise Europe Network. Innovation Norway also organises business delegations and Norwegian participation at major international fairs. Innovation Norway furthermore strives to promote Norwegian businesses abroad, and market Norway as a tourist destination. The company moreover promotes Norwegian green solutions and connects potential buyers with suppliers via the www.TheExplorer.no website. This website is intended to help position Norway as a pioneer within sustainable development in international markets. Innovation Norway and the Research Council of Norway co-finance research and technology envoys to foreign service missions in important collaborative countries.

The foreign service missions, i.e. the Norwegian embassies and consulate generals, have a presence in almost 100 countries and are important supporters of Norwegian businesses abroad. Economic diplomacy and business promotion are key tasks for the foreign service missions. The missions contribute door-opening, contact with relevant public authorities, networking and problem-solving, as well as information relating to framework conditions, contextual understanding and market opportunities. The missions facilitate meeting places between businesses, public authorities and investors abroad. The foreign service missions also play a pivotal role in promoting the export of Norwegian art and culture abroad, in close cooperation with participants in the Norwegian Arts Abroad network and Norwegian cultural life.

Norwegian Arts Abroad (NAA) is an organisational network consisting of Performing Arts Hub Norway, Design and Architecture Norway (DOGA), Music Norway, NORLA, the Norwegian Film Institute, Norwegian Crafts and the Office for Contemporary Art Norway (OCA). NAA is a key part of the policy instruments in the initiative aimed at boosting exports by the cultural and creative industries.

GIEK and Export Credit Norway promote exports and investments abroad through guarantees and loans on behalf of the Norwegian State in connection with exports. GIEK also offers guarantees for investments abroad.

The Norwegian Seafood Council is owned by the Ministry of Trade, Industry and Fisheries and aims to boost value creation in the fisheries and aquaculture industry by increasing the demand for Norwegian seafood. The company's responsibilities include joint marketing, acquisition of market information, market access and preparedness for the industry. The Norwegian Seafood Council is funded through a statutory tax on exports of Norwegian seafood and has fisheries envoys in 13 markets.

Norwegian Energy Partners (Norwep) is a foundation established by the Norwegian authorities through the Ministry of Foreign Affairs, the Ministry of Trade, Industry and Fisheries and the Ministry of Petroleum and Energy, as well as the Norwegian Shipowners' Association, the Norwegian Oil and Gas Association, Energy Norway, the Federation of Norwegian Industries, the Norwegian Confederation of Trade Unions, Equinor and Statkraft. Norwep is not a public sector operator in the same way as the operators referred to above, but receives significant financial support from the Ministry of Petroleum and Energy. Norwep offers advice in 26 key markets and aims to increase employment and value creation in Norway by striving to increase exports from the Norwegian-based energy industry.



The Norwegian company Tomra invented a machine for recycling bottles and today supplies 70 per cent of the world market. Innovation Norway's offices in Norway and abroad have helped the company to succeed internationally.

as financing which can trigger value-added exports. This toolbox is collectively referred to as *export-oriented public instruments*. The role of the export-oriented public instruments is to maximise value creation through increased exports. See Box 5 for an overview of the key players.

The policy instruments have had to be adapted to a new reality during the coronavirus pandemic. The foreign service missions handled a large volume of consular matters when the travel restrictions came into force. Both the foreign service missions and Innovation Norway's overseas offices have assisted Norwegian companies with their dialogue with public authorities

and have provided information relating to logistics, border crossings and quarantine rules. The challenges highlight the vital role of the foreign service missions as a "door opener" and shows the added value of their contextual understanding and networking with respect to the host country's authorities. Innovation Norway and many foreign service missions have organised digital meeting places and seminars where physical attendance is no longer possible. The presence of policy instruments abroad is very important in light of the developments we are now witnessing, and we must avoid dismantling these instruments at a time when other countries are strengthening theirs.

Team Norway

The export-oriented set of instruments consists of many operators with different goals and tools. However, they are all working to promote the Norwegian business community in the overseas markets. In order to optimise coordination, the operators are working together under the Team Norway umbrella. This interaction helps to create synergies which collectively increase the individual impacts of the operators. In order for Team Norway to function optimally, close cooperation with the business community is essential, e.g. through the chambers of commerce in overseas markets and the various business organisations in Norway. The Ministry of Trade, Industry and Fisheries is leading the work with Team Norway, in cooperation with the Ministry of Foreign Affairs and the Ministry of Petroleum and Energy. In Norway, regular meetings are held within Team Norway Forum. In the overseas markets, the foreign service missions are responsible for coordinating the Team Norway work where this is in demand, in consultation with the Ministry of Trade, Industry and Fisheries. The foreign service missions lead Team Norway in the country in question and organise projects and joint initiatives in order to assist the Norwegian business community.

In 2018, the Government conducted an "area review" of instruments and operators aimed at promoting Norwegian business abroad, including Innovation Norway, the Norwegian Seafood Council, Norwegian Energy Partners and the foreign service missions¹². The review was followed up in the National Budget for 2020. Measures have been implemented for a more strategic management and coordination of the public instruments, including the establishment of the Team Norway Forum and overarching strategic principles for the work relating to the promotion of Norwegian businesses abroad (see below). The aim of the measures

is to strengthen coordination and create synergy effects between the Team Norway members, and reduce uncertainties relating to roles and responsibilities between them, as well as minimise the possibility of duplication of competence and the services offered.

Strategic principles for business promotion

1. Common goals.

The aim of the efforts being made in relation to business promotion is to maximise value creation in Norway within a sustainable framework.

2. Roles and understanding of responsibility.

The Ministry of Trade, Industry and Fisheries is the responsible body and the coordinating ministry with regard to the work relating to business promotion abroad.

3. Collaboration – Team Norway.

The operators involved in business promotion shall cooperate well. The division of responsibility between operators shall be clarified in order to avoid duplication.

4. Priorities and results.

The work relating to business promotion shall be based on defined priorities, impacts and results. Instruments should be evaluated regularly.

5. Demand-driven.

The work shall be based on demands from the business sector wherever possible.

6. Flexibility. The work shall be as efficient and unbureaucratic as possible.

¹² Area review of business promotion abroad, PwC and Oslo Economics, 17.12.2018, <https://www.regjeringen.no/globalassets/departementene/fin/2019/rapport-omradegjennomgang.pdf>



Photo: Innovation Norway

The start of the construction of Norway's pavilion at the EXPO 2020 in Dubai, which due to Covid-19 is postponed until 2021. The Norwegian pavilion will showcase technologically and sustainable solutions from Norwegian ocean businesses. The goal is to contribute to increased visibility, value creation and export opportunities.

The Norwegian Seafood Council has revised its plans for promoting Norwegian seafood in overseas markets in order to adapt the marketing to changing consumer behaviour and demand. In markets where the pandemic is having the greatest adverse effects in both the short and medium term, the Norwegian Seafood Council is considering implementing extraordinary marketing measures. In addition, the Seafood Council envoys have led digital seminars from the overseas markets. Competition is strong in the seafood markets, and there is a constant need to market seafood from Norway. The Norwegian Seafood Council will therefore continue to actively promote seafood from Norway.

Norwegian Energy Partners (Norwep) has held planned events digitally, including both major seminars and smaller meetings with companies. As a result of the coronavirus crisis, Norwep has received an additional grant of NOK 20 million for 2020. This will help to alleviate the harmful economic effects of the pandemic,

allow for a stronger focus on digitalisation in the work with exports, and strengthen the work relating to exports of low-emission technologies, such as hydrogen, CCS and offshore wind power. The grant will also help Norwep to continue to maintain relevant oversea offices, with advisers in the key markets, which is particularly important at a time of travel restrictions.

The organisations within Norwegian Arts Abroad (NAA) work closely with the arts and cultural industries and with the foreign service missions. NAA contributes to international cooperation and promotes Norwegian art and culture on the international stage. Within the field of culture, export revenues account for a modest share of the total turnover of the Norwegian cultural industries, but they are growing and there is reason to believe that there is considerable potential (see also the reference to art and cultural exports under 4.15). In addition to participating in export programmes in collaboration with Innovation Norway, NAA facilitates

Norway seized new export opportunities during the coronavirus crisis – Germany is eyeing up Norwegian edtech.

When society was shut down in March, the rapid transition proved to be challenging for many people. In Norway, we have coped relatively well, as we have many apps and services covering everything from work and school to food shopping and doctor's appointments. In Germany, there was a lack of suitable digital tools to enable working life to be carried on from home, and the German debate relating to digitalisation rapidly gained momentum. To ensure that Norwegian companies had a high profile in the debate, Innovation Norway set up a project group consisting of Team Norway in Germany: The Norwegian Embassy in Berlin, ICT Norway, and The Explorer showcase.

The project team identified education technology, also known as edtech, as one area where Norwegian solutions could really make a difference. Key Norwegian operators were soon identified, i.e. Kahoot, Kikora, Lesemester and No Isolation. These were interviewed

to enable them to share their experiences of home schooling during the pandemic. This formed the basis for a marketing campaign for Norwegian edtech in Germany, a campaign which reached Germany in the second half of April, just one month after the shutdown. The campaign has a number of parallel tracks, including marketing in social media, public relations and political initiatives.

The results achieved to date show that Norwegian edtech enterprises are in dialogue with German operators, 200,000 German parents have been exposed to digital advertising about Norwegian edtech, 16,000 people have read about Norwegian edtech on TheExplorer.no, and ICT Norway has signed a cooperation agreement with Bitkom, its German counterpart. The campaign is still ongoing. During 2020 and 2021, a raft of initiatives will be carried out in Germany, including marketing in German trade magazines.



Photo: Esteria Kluczenko

The Norwegian company No Isolation has developed the communication robot AV1, which lets children and youth with long-term illnesses be in their hospital beds and in the classroom at the same time. The robot is sold primarily in the Nordic countries, Great Britain, the Netherlands and Germany and can be found in around 1300 classrooms.

exports through various travel support schemes and by building expertise and networks. The cultural and creative industries have been hit hard by travel restrictions and international shutdowns. Norway has the potential to gain a competitive advantage during the normalisation process if export companies are mobilised and given the necessary room for manoeuvre. The organisations within NAA have adapted their activities and plans in accordance with the applicable infection control rules, helped to maintain interest in Norwegian cultural industries in international industry and media through digital activities, and will ready them to enter the markets as and when opportunities open up.

The Norwegian company No Isolation has developed the communication robot AV1, which lets children and juveniles with long-term illnesses be in their hospital beds and at the same time in the classroom. The robot is primarily sold in the Nordic countries, the UK, the Netherlands and Germany, and can also be found in around 1300 classrooms.

The public export promotion work is dependent on sufficient contributions and participation from the business sector. Industry clusters, chambers of commerce, trade associations and industry associations all form an important part of the work relating to export promotion. Norwegian Maritime Exporters (NME), Norway Health Tech and ICT Norway are examples of organisations which are striving to promote exports on behalf of their member companies, often in close cooperation with the public instruments promoting export.

The public instruments are intended to help the business community to resume and maintain export initiatives and to seize new market opportunities which arise in the wake of the crisis. In the near future, it will be particularly important to ensure that information about specific market opportunities reaches the Norwegian industries which are able to deliver the goods and services that will be in demand. The cost and risks associated with taking up new international market positions implies that the administrators of public instruments should prioritise supporting companies that are willing to invest. By enabling the right industry to reach the right market at the right time, we will be able to boost Norwegian exports

in a targeted and efficient way. By doing this, the Government invites the business community to help create a common powerhouse for exports in the wake of the corona crisis.

The Government will:

- Maintain the tax on seafood exports that is currently being used to fund the Norwegian Seafood Council and regularly assess the level of the tax
- Organise official business delegations and attend international trade fairs to promote Norwegian businesses and meet customers, when the situation enables this type of activities again. Delegations and political visits will be used in an even more strategic, focussed and smart way in the future, among other things through targeted delegations to markets with specific opportunities for Norwegian goods and services
- Represent Norway at the Dubai Expo in 2021 in partnership with the business community. The Government has provided NOK 40 million to this purpose. The Norwegian pavilion in Dubai will promote technology and sustainable solutions from Norwegian maritime industries with the aim of contributing to increased profiling, value creation and export opportunities
- Help to ensure that the ONS trade fair can take place in 2022 as planned by proposing a grant of NOK 21 million to the Offshore Northern Seas (ONS) foundation. This grant will offset some of the deficit resulting from the cancellation of the ONS 2020 due to the coronavirus pandemic. The ONS is a key arena for promoting Norwegian energy expertise to a broad international audience, which will help to boost exports from the Norwegian energy industries. (This is subject to approval from the ESA)
- Continue the initiative relating to the work of Norwegian Arts Abroad, including knowledge acquisition and competence-building, as well as strengthening the efforts of Norwegian Arts Abroad regarding international network programmes from an export perspective

4.2 A stronger strategic focus on the work to promote exports

The starting point for this action plan is the economic crisis created by the coronavirus pandemic, but the situation facing Norwegian exporters was also challenging before the coronavirus crisis began. There have long been signs of increasing protectionism, less predictable access to markets abroad and increasing competition. Economic growth is increasing in emerging markets, while the rate of growth in our traditional and largest export markets in Europe is low. The fall in oil prices is also resulting in lower export revenues from petroleum exports and reduced levels of activity in the oil and gas supply industry, which is one of our main export industries. Many other industries are also experiencing a loss of market shares internationally.

To boost Norwegian exports, we must carry out strategic initiatives to a greater extent than is currently the case. We must aim to promote industries which have competitive advantages and connect them with specific opportunities in the global markets. The state cannot decide what, how much or where companies should export, but it can help to lay the best possible foundations for those industries that are willing to invest.

In order to identify relevant opportunities in the global markets and follow them up in a more strategic way, we must first ensure that we are well-organised in Norway. In the input we received while working on the export action plan, a wide range of operators noted that it will be necessary to build a stronger strategic partnership between the private sector and public instruments concerning export promotion. The state's efforts relating to export promotion currently being carried out is considered to be too fragmented, insufficiently strategic, and not targeted enough towards the export industry. At the same time, sector operators such as the Norwegian Seafood Council and Norwegian Energy Partners are mentioned as good examples of how the business community and the Government can work together to develop common goals and priorities, and it is therefore desirable that these services continue in their current form.

Businesses, industry organisations, clusters, public instruments and foreign service missions each possess valuable expertise relating to opportunities in the markets and Norway's competitive advantages. In the

current model, this expertise is not used adequately, neither at an overarching level nor across sectors. In order to achieve the goal of boosting value-creating exports, it is essential to draw on this expertise in a simpler and more effective way, so that we can work together towards common prioritized areas.

In the future, the work to promote exports will be based on the current system, but aligned in such a way that the public and private sector will identify common strategic focus areas as the basis for long-term export initiatives, and establish a binding cooperation where all the parties concerned contribute resources, expertise and funding. In autumn 2020, we will therefore look at various models for organising the export work that will make this possible. To ensure that what is offered is relevant to the business community, the Ministry of Trade, Industry and Fisheries will set up a temporary export panel, consisting of business representatives, who will evaluate various models and advise on how to organise the schemes and efforts to promote export.

The Government will:

- Invest more strategically in the work to promote Norwegian exports, in a closer partnership with the business community. The aim is to develop a new model for promoting exports which will enable public and private sector operators to jointly contribute to financing, draw on each other's expertise and meet in order to carry out strategic export initiatives
- Propose a stronger strategic focus on export promotion. This will be further considered in the National Budget for 2021
- Obtain feedback on the future model for export promotion from a temporary export panel, composed of representatives from the business community. In autumn 2020, the panel will submit its recommendations concerning the organisational approach, to ensure that we achieve the goal of a more strategic partnership relating to export promotion between the public and private sectors. On the basis of these recommendations, the Government will evaluate organisation and cooperation, with the aim of identifying a socio-economically appropriate solution

Innovation Norway's export strategy 2020

Sustainable growth and exports are pivotal to Innovation Norway's proposed new model for boosting exports and taking the best Norwegian companies out into the world. Through the "Rigged for export" project, Innovation Norway has carried out an analysis of how it can help to boost exports and attract more foreign capital and expertise to Norway. Innovation Norway's recommendations regarding a new approach will entail the restructuring of working models and organisation of the work relating to exports. Innovation Norway proposes a more targeted and nuanced approach going forward:

Targeted initiative for businesses which can take up new global positions

Innovation Norway is proposing a more flexible approach to exploiting major international commercial market opportunities, where Norwegian environments and businesses can take up new global positions. The initiative relating to major international market opportunities will be carried out in close cooperation with Norwegian businesses and environments where the business sector plays a pivotal role in identifying, validating and approving strategic joint projects. The major joint projects will help more Norwegian businesses and environments to win major international contracts and attract foreign investment.

Targeted export advice to businesses which are best-placed for international growth

Innovation Norway proposes the provision of more targeted and proactive export advice to businesses which are best-placed to achieve international growth. Individual businesses with the requisite resources and considerable potential to grow internationally will have the opportunity to enter into agreements concerning tailored services which can run over several years.

A digitally based basic service to all parts of the Norwegian business community

Innovation Norway proposes that all Norwegian businesses that want to export should be offered a basic digital service. This service will include dialogue and consultancy services if needed. The basic service will help to mobilise and develop more Norwegian companies with the prerequisites for export.

*Read more about this proposal on Innovation Norway's website:
<https://www.innovasjonnorge.no/no/om/nyheter/2020/rigget-for-eksport--sterkere-mer-strategisk-og-nar-bedriftene/>*

The Danish and Swedish models for export promotion

Denmark and Sweden have organised their export promotion activities in slightly different ways than Norway. In Denmark, as in Norway, export promotion is a pivotal task for the foreign service missions. However, the Danish embassies assist Danish businesses in the overseas markets in a similar way to the services that Innovation Norway offers Norwegian businesses. The Danish foreign service missions are therefore responsible both for bilateral relations and for providing specific market advice to the business community. Assistance from the embassy is a chargeable service. Smaller enterprises receive specific support and discounted fees, while the largest companies receive special follow-up, such as a designated contact person within the embassy. Danish foreign service mission employees are actively recruited from the business community, helping to ensure that the organisation is commercially oriented. The 2018 Danish export strategy identified a number of priority sectors for export promotion (ICT and automation, agriculture and food, water, environment, energy technology and green solutions, health and solutions

for urban growth). In Sweden, Business Sweden is responsible for promoting exports and investments. The focus has changed from being initiative- and activity-oriented (advisory services and attendance at trade fairs) to being results-oriented (exports and investments). Business Sweden prioritises market opportunities with considerable potential, known as "high potential opportunities". The embassies are used strategically to scout for market opportunities, which are reported back directly to the prime minister's office. The follow-up work is carried out by Business Sweden, with political assistance at ministerial level as and when necessary. Sweden has developed targeted strategies for export promotion within various segments (Smart Transportation, Life Sciences, Smart Cities, Smart Industry and New Materials). Business Sweden is comparable to a consultancy firm in that it is required to generate revenue and dependent on businesses paying for their services.

(Sources: "*The Danish model for economic and commercial diplomacy*", presentation by Denmark's Embassy)

4.3 Better utilisation of the opportunities inherent in digital business promotion

During the coronavirus pandemic, key meeting places such as trade fairs and participation in business delegations have virtually ceased. Physical presence is important for establishing relations with customers and authorities, but digital meetings and events can replace some activities. The reduction in international travel helps to save costs and free up time for other activities.

Team Norway has explored alternative digital solutions which can offer new opportunities for maintaining international business promotion activities while travel opportunities are limited. The export-oriented public instruments now arrange many planned events

digitally, and feedback received from the business community has been positive. It is important that the digital events maintain a high technical standard. The organising of major events has enabled useful experience to be built up by hiring in external assistance from the business community. These are some of the solutions that will be explored further with the aim of maintaining vital contact with other countries and boosting attendance at business events over and above the traditional physical meeting places.

Business delegations are a particularly important tool in the Government's efforts to promote business. Innovation Norway is now initiating a process of digitizing business delegations, which involves greater use of video conferencing and digital platforms, as well



Photo: Pexip

The Norwegian technology company Pexip offers solutions for video conferencing. Pexip went on the Stock Exchange in May 2020 and already from the start the market value of the company rose with 2,5 billion Norwegian kroner.

as an "event universe", where webinars, profiling and matchmaking for businesses can take place before, during and after a digital delegation. The platform can be used to carry out entirely digital business delegations, and will also be relevant for use by enterprises when physical business delegations once again become possible.

The Government will:

- Develop a guide for digital business promotion based on the experiences gained by Team Norway
- Conduct digital business delegations to priority markets
- Continue the work of establishing appropriate digital solutions to meet the needs of the foreign service, including international meetings, events, visits and everyday diplomatic activities

4.4 Targeted initiative relating to business projects at the foreign service missions

Business promotion is a key task for the foreign service¹³. The foreign service plays a vital role in the work relating to export promotion by providing a local presence, acting as a "door-opener" and being responsible for diplomatic relations, as well as by assisting the Norwegian business community through the provision of consular services, contextual understanding and problem-solving. In key export markets, the foreign service missions also have a proactive approach to business promotion, for example by establishing meeting places for business, building networks and maintaining contact with relevant authorities, as well as by reporting on market opportunities.

¹³ Act on the foreign service, Section 1 second paragraph



Photo: Scatec Solar

The Norwegian company Scatec solar's solar power plant Agua Fria in Honduras, which opened in 2015. GIEK provided a state guarantee to Export Credit Norway for the financing of the project.

The work of the foreign service missions on business promotion is carried out in close collaboration with the public instrument administrators (see Box 4). In order to maximise the results of the initiatives, it is necessary to prioritise the use of resources and ensure that the foreign service missions work in a more focussed and demand-driven way with regard to export promotion. The resources and initiatives should to a greater extent be focused on joint initiatives based on agreed priorities with the business community. The foreign service shall play a key role in implementing joint initiatives relating to export promotion. In countries that are less important to the Norwegian business community, the foreign service will not focus on proactive business promotion, but assist enterprises through the provision of consular services, contact with government agencies, networks and problem-solving as and when needed. These foreign service missions will also look for market opportunities which are of potential interest to the Norwegian business community and report back on them.

Every year, the Ministry of Trade, Industry and Fisheries and the Ministry of Foreign Affairs make funds available for business promoting activities at the foreign service

missions. These business activities will be developed in cooperation with the Team Norway operators in the service area, and will be firmly rooted in the needs of Norwegian business.

The Government will:

- Make funds available for business activities under the auspices of the foreign service missions in 2021. The aim is to help strengthen the overall initiatives to promote Norwegian business interests abroad. To ensure that the projects are strategic and sufficiently in demand, it is important that they are developed in close cooperation with the business community, and that co-financing is obtained where possible. We will also prioritise the provision of support for digital business promotion activities
- Strengthen the dialogue between the foreign service, the public instrument administrators and the business community in order to clarify the added value of the assistance that the foreign service missions can offer

- Prioritise the use of resources by the foreign service missions in a better way, in cooperation with the business sector and other public instruments. The foreign service missions in priority countries shall strengthen the cooperation with Team Norway and coordinate the Team Norway work

4.5 Better utilisation of clusters and networks in the work relating to exports

The cluster programme run by Innovation Norway, Siva and the Research Council of Norway aims to boost innovation and adaptation capabilities in regional innovation environments through greater interaction and cooperation between the business community, knowledge and research communities and development operators. The cluster programme has been revised following an evaluation in 2017, and a new programme adapted to meet the challenges of the future was implemented in autumn 2019. In 2020, a new sub-programme has also been established for what is known as the "mature clusters". This sub-programme is intended to support development projects that will have ripple effects outside their own cluster. Among other things, the projects shall contribute to a stronger international orientation of the business community within the sector, value chain or region. The various industry clusters' main role is bringing Norwegian businesses together so they can compete better on the international stage in competition with other knowledge and technology environments.

The Government will:

- Ensure that the expertise and capacity of the "mature cluster" environments are utilised to realise development and adaptation projects in the business community outside their own cluster, through the new sub-programme for mature clusters
- Lay the foundations to enable mature clusters to create better conditions for adaptation, growth and internationalisation in the Norwegian business community. This will be addressed in the National Budget for 2021

4.6 More accessible export financing for the business community

The state provision of long-term export financing comprises loans from the export credit scheme and export guarantees. The export credit scheme is currently administered by Export Credit Norway, while the export guarantee schemes are administered by the Norwegian Export Credit Guarantee Agency (GIEK). GIEK and Export Credit Norway often provide financing for the same export contracts. In 2021, the Government will merge GIEK and Export Credit Norway to form a single new export credit agency, in order to simplify the service provided to the business community and streamline the export financing system. The Government's decision is a result of the "area review" of the business-oriented system of public instruments. The merger will offer better quality, greater efficiency and a more transparent service for users. Having one single export credit agency will also create a more robust and flexible organisation. The financing and guarantee schemes offered to the business community will continue in its current form.

The purpose of the new agency is to ensure more efficient administration of financing and guarantee schemes for exports. Those who benefit from the services either by receiving loans, guarantees or both, will be the buyers or the buyers' banks. However, the service is aimed to support both existing and potential exporters in Norway, and the target group is exporters which provide added value to the Norwegian society and economy. A secondary target group which also benefits from the export financing system is subcontractors in Norway.

The new agency will take over all the tasks and schemes currently administered by Export Credit Norway and GIEK and will operate under the same framework as today. This includes the administration of outstanding loans, guarantees and receivables under existing schemes as well as the temporary schemes introduced in 2020 due to the Corona pandemic.

The Government will:

- Merge GIEK and Export Credit Norway to form a new export credit agency by 1 July 2021

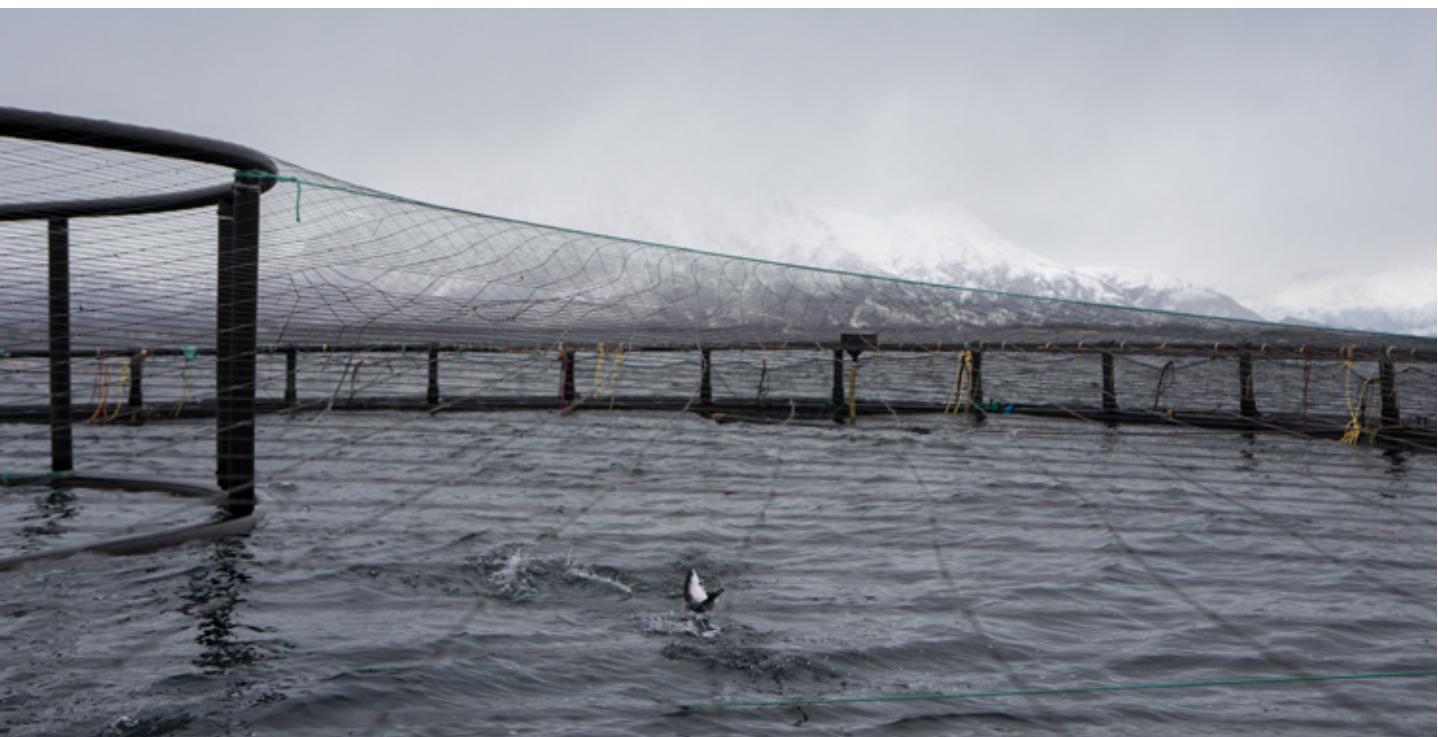


Photo: The Norwegian Seafood Council / Knut Åsenud

Salmon in a salmon cage stretch their fins. The picture is from Lovund in Nordland County in Norway. The export credit insurance is widely used by the fish farmers when exporting seafood. The export credit insurance ensures that the seller gets paid if the customer goes bankrupt or is not willing to pay.

4.7 Reduced minimum requirements for guarantors behind export financing

Through the export credit scheme, Export Credit Norway provides loans to buyers of Norwegian export goods and buyers of ships. All loans issued by Export Credit Norway must be guaranteed to ensure that the export scheme will get its money back even if the borrower encounters solvency problems. Guarantors for the loans are required to have a good credit rating according to an established definition. Since 1 January 2018, the minimum requirement for the rating of guarantors responsible for Export Credit Norway's loans has been lowered from BBB to BB, in order to provide more opportunities for small and medium enterprises. The main purpose for accepting BB rating was to make it easier for the smaller exporters to find local banks that can act as guarantors, particularly in developing countries and in connection with relatively modest loans. Such banks are often more familiar with the buyer, and the costs incurred for the Norwegian exporter thus will be reduced. To allow smaller, local

banks to be guarantors can help to open up export opportunities for some Norwegian small and medium sized enterprises. Under this BB initiative, an individual guarantor can account for a total of 25 per cent of the value of the export transaction, and Export Credit Norway's maximum exposure to guarantors with BB-rating is NOK 300 million.

The Government will:

- Continue to let Export Credit Norway accept BB rated guarantors

4.8 Secure access to short-term credit insurance

Credit insurance is an instrument for hedging against losses linked to credit sales with a credit term of less than two years. It is frequently used in Norway by companies exporting seafood and within industries such as metals, minerals, paper, sports equipment and

electronics, and more. Through credit insurance, the seller ensures that it will receive a proportion of the sale price back even if the customer refuses to pay or is declared bankrupt. It is estimated that companies in Norway insured credit sales worth approximately NOK 300 billion in 2019. Many international companies offer credit insurance in Norway, and in normal times the private market generally covers the exporters' needs. However, the offer of insurance are somewhat uncertain with regard to some countries and markets. The Government has therefore established a state scheme offering short-term export credit insurance under GIEK for credit sales to so-called "non-marketable risks" countries, as a supplement to the private market. Countries that are considered to be "non-marketable risks" are categorised at all times in guidelines issued by the EU and the EFTA Surveillance Authority (ESA) concerning short-term export credit insurance provided by the member states. In light of the coronavirus situation, the EU and ESA have revised these guidelines, allowing all countries to temporarily be categorised as "non-marketable risks". This exception lasts until the end of 2020.¹⁴

As a result of the coronavirus situation, many EU Member States have, in line with temporary expansions to the state aid regulations, implemented schemes which are based on the state re-insuring the portfolios of credit insurance companies. The schemes apply irrespective of whether the credit sales are linked to domestic trade or export. The Government established such a scheme under GIEK in the revised National Budget for 2020 [Prop. 117 S (2019-2020)]. The scheme is intended to reduce the level of risk for providers of credit insurance, in order to help such providers continue to provide services to companies in Norway in a situation where there is greater risk in the market. Credit insurance companies which accounted for approximately 99 per cent of insured sales in Norway in 2019 have signed up to the scheme. The scheme has been notified to and approved by the ESA.

The Government will:

- Monitor the need for credit insurance services amongst companies in Norway

4.9 Access to capital and expertise through Invest In Norway

More foreign investment in Norway can provide access to capital, expertise, networks and value chains in other countries, which in turn can present greater opportunities for the Norwegian export-oriented industry. Foreign companies account for a significant proportion of the value creation which takes place in Norway. They contribute with new technology and R&D, and strengthen clusters and industrial environments. Invest in Norway is a function under innovation Norway which was set up in 2013 with the aim of facilitating international investments and positioning Norway as an attractive country for investors and human talents. Invest in Norway has had moderate resources at its disposal, but was strengthened significantly in 2018 as a follow-up to the Government's "Strategy for Export and Internationalisation".

Invest In Norway was evaluated in 2019. During the period 2013-2017, Invest In Norway received about 1,000 enquiries, and 28 companies established themselves in Norway. In the evaluation noted that, until 2017, Invest In Norway had less resources at its disposal than similar organisations in comparable countries and that the funding available during this period resulted in a too low profile for the service. The evaluation provided input for improvement of the services and gave proposals for concrete objectives, action plans and performance indicators. The evaluation also noted that Invest In Norway has considerable potential to boost its expertise and capacity through closer cooperation with cluster and industry networks across the country. During the evaluation, Invest In Norway carried out a major strategic process.

The Government will:

- follow up the evaluation of Invest In Norway with the aim of ensuring that the organisation continues its efforts to promote foreign investment in Norway within fields where Norway possesses strong expertise. In this regard, specific consideration will be given to how industry clusters can be important partners for Invest in Norway

¹⁴ The Government has decided to prolong the exception for an additional six months, lasting until June 30, 2021.

4.10 Better utilisation of the opportunities contained in the EEA Agreement

The EU is our most important trading partner. Through the EEA Agreement, Norway is an integral part of the EU's Single Market, with the free movement of goods, services, capital and people. This is vital for Norwegian businesses. In the future, it will be particularly important to stand alongside EU Member States in order to further develop the Single Market. Norway supports the EU in its efforts to remove trade barriers by improving the implementation and enforcement of existing rules. Norway is pursuing an active and effective European policy with the aims of helping to ensure that the Single Market is functioning effectively and is beneficial for the Norwegian business community. Through close communication with the European Commission, key European parliamentarians, and EFTA and EU countries, Norway is striving to promote Norwegian interests and contribute to good pan-European solutions.

The opportunities and rights inherent in the EEA Agreement and Norway's equal participation in the Single Market must be promoted to the Norwegian business community, so that more companies can exploit this export potential. The EU's programmes are largely business-oriented and aimed at mutually reinforcing each other across sectors. Norway must take advantage of the opportunities for synergy effects between the programmes in which we participate. Some concrete examples of opportunities are:

- **The EEA financing schemes**, which are Norway's contribution to social and economic equality in the European Economic Area (EEA). The funds shall also strengthen the links and cooperation between Norway and the recipient countries. The EEA funds from 2014-2021 mainly support the development of a green, competitive and inclusive Europe. The funds under "A Competitive Europe" contribute to growth by supporting the development of knowledge-based economies. It is estimated that in excess of EUR 800 million out of a total budget for the period of EUR 2.8 billion will go to measures that concern investing in people, including knowledge, research, innovation, employment, and supporting the comparative advantages of the recipient countries. Innovation Norway is heavily involved

in this work and helps to ensure that Norwegian companies and research institutions participate in this work in the recipient countries. This work will continue to be important in the next funding period beyond 2021.

- **Horizon 2020**, and **Horizon Europe** from 2021, is the EU's framework programme for research and innovation. Through this programme, companies are offered training, access to international networks and market knowledge which enhances their competitiveness, as well as access to infrastructure that is not available at national level. Norwegian businesses account for almost a third of the Norwegian return from the current Horizon 2020 programme. Small and medium sized enterprises in particular have a high success rate.
- **COSME**, is part of the Single Market Programme aimed at small and medium sized businesses and entrepreneurs. Through the Enterprise Europe Network programme, Norwegian business get support to identify market opportunities, technologies, projects and partners abroad. The programme also includes cluster and scaling instruments.

The programmes referred to above are also key instruments for achieving objectives under the **European Green Deal**, the EU's new growth strategy which will also play a role in helping the EU to recover from the coronavirus crisis. The strategy aims to transform the EU into a modern and competitive economy with net zero emissions by 2050, where the link between economic growth and the extraction of natural resources is broken. The circular economy and sustainable solutions for industry, energy, construction, renovation, mobility and food are consistent themes and priority areas . The European Green Deal will lead to comprehensive policy and regulatory developments in many areas over the next few years, including areas covered by the EEA Agreement, and may present new market opportunities for Norway within the EU. Green shipping, offshore wind power and other renewable energy generation, hydrogen, battery production, recycling solutions, electrification and carbon capture and storage are some examples of areas where Norwegian businesses can contribute technology, expertise and services.

The Government aims to make it as easy as possible for Norwegian companies to operate in the Single Market. The Government is working to establish the Single Digital Gateway in Norway, which is a common digital portal for businesses and citizens of EEA States which will guide users to relevant information concerning rights, obligations and rules relating to the Single Market. The portal will make it easier for companies exporting to countries in the Single Market to find information and carry out various procedures. SOLVIT is a free service which helps companies and individuals to find solutions to problems caused by national authorities not applying EEA law correctly. Greater awareness of this free service could benefit Norwegian export companies encountering problems in the Single Market.

The Government will:

- contribute to a green and competitive Europe through EEA funding
- facilitate exploitation of the potential of Horizon Europe and COSME
- facilitate exploitation of synergies between the EU's business-oriented programmes
- act as a partner for the EU in the development and implementation of the European Green Deal, including promoting Norwegian interests where relevant and helping to develop common regulations and standards, promote mobility, clean energy, climate-friendly technologies and cooperation concerning an inclusive green shift based on scientific, fact-based and cost-effective methods
- highlight the opportunities open to Norwegian businesses to export technology, expertise and services which are in demand, including within the area of green shipping
- strive to ensure that Norwegian companies are aware of the SOLVIT problem-solving tool
- continue the work on establishing the Single Digital Gateway

4.11 Further development of international trade regulations

Effective and predictable international trade regulations are of vital importance to the Norwegian business community. Since 1995, the WTO has facilitated an increase in world trade by reducing trade barriers between countries. The WTO is currently facing challenging times. In recent years, it has been difficult to get all members to agree on new binding commitments. The Trade Facilitation Agreement (TFA) from the 2013 ministerial conference in Bali and the agreement from the 2015 ministerial conference in Nairobi to discontinue export subsidies for trade in agricultural goods are the exceptions. For 2020, it is a goal to reach an agreement which limits the use of fisheries subsidies.

A key reason for the lack of consensus is continuing disagreement over contributions from emerging economies. The trade battle between the USA and China is pivotal to this picture, but this is not the only element. Norway's main objective is to preserve, and preferably strengthen, the multilateral trading system and the WTO as an organisation. Norway places particular emphasis on supporting initiatives which can help to strengthen the WTO and make the organisation better equipped to face up to today's challenges and economic realities.

In order to successfully create results within the WTO, the regulations should be developed further in various formats. One possibility is hybrid solutions, where all members undertake some basic commitments and the most ambitious go further. Plurilateral initiatives and negotiations are emerging as an essential response to the current situation. Among other things, Norway has, alongside the EU and many other WTO members, supported a temporary appeal solution for disputes based on the WTO's arbitration procedure as a response to the fact that the WTO's appeal body is no longer operational. We support the reform and modernisation of the negotiating function, dispute resolution and the regular work. The reform will encompass "old" topics such as agriculture, where Norway has defensive interests, and fisheries subsidies. The reform will also cover new topics, such as subsidising of industrial goods and e-commerce, where we want to be at the forefront of the development of new rules.



Photo: Handelsministeriet/Norwegian Customs

The customs station at Eda is a part of the Norwegian-Swedish border control cooperation. The cooperation enables a station to declare customs duties for both countries. This is unique in the world.

The Government will:

- continue the work to further develop positions and seek to present new inputs and pragmatic ideas which can contribute to a reformed and relevant WTO, and actively participate in the negotiations concerning the framework conditions for e-commerce and reductions in the use of fisheries subsidies
- as part of efforts to promote transparency and information sharing, and ensure that Norway fulfils its own notification obligations within the WTO, establish an inter-ministerial group which regularly reviews changes to Norwegian regulations of relevance to the WTO, and reports on these reviews in an appropriate manner
- contribute to the WTO's efforts to secure open supply lines and ensure that vital products are also made available in crisis situations, with a special focus on medical products and infection control equipment

4.12 Easier and more flexible flow of goods and services

The Norwegian Customs Service is responsible for ensuring that the trading of goods across the Norwegian border takes place in accordance with Norwegian rules, and for contributing to the efficient export of goods. During the coronavirus pandemic, the Norwegian Customs Service has worked to safeguard the flow of goods in and out of the country in order to maintain security of supply and to support Norwegian enterprises which export goods and services. New regulations, automation and simplifications to procedures and the digitalisation of forms are focus areas which are aimed at further improving the flow of goods. For example, the Norwegian Customs Service has recently ensured that certificates of origin can be issued electronically, which offers savings for both the public authorities and businesses.

Based on the WTO Trade Facilitation Agreement, a national committee for trade facilitation has been set up to address internal coordination and



Photo: The Norwegian Seafood Council

A roadshow under the auspices of the Norwegian Seafood Council in Guangzhou to promote Norwegian seafood on the Chinese market.

implementation of the agreement's provisions. The Trade Facilitation Committee is a platform for strengthening ongoing contact between public authorities and the business community, and the Norwegian Customs Service is in dialogue with the business community in order to discuss challenges relating to the import and export of goods. One of the objectives of the committee's work is to develop the communication channels between public authorities and export companies in order to identify opportunities for improvements to cross-border processes, and to identify and reduce barriers to trade.

Norwegian export companies also encounter challenges relating to customs formalities and regulatory requirements in other countries. This is particularly true as regards emerging markets outside the OECD, and the trend has been reinforced as a result of new restrictions associated with the coronavirus pandemic. International agreements concerning reductions in customs duties and mutual recognition of goods and services help make trade more flexible and predictable. Norway prioritises participating in international

cooperation in order to reduce technical barriers to trade between countries, partly by supporting the work of the World Customs Organization (WCO) to modernise international conventions concerning trade simplification and the development of international standards.

The Norwegian Food Safety Authority plays a key role in facilitating Norwegian food exports, of which Norwegian seafood accounts for the majority. The supervision carried out by the Norwegian Food Safety Authority to ensure that export goods are produced in accordance with the regulations has implications for the level of confidence in Norwegian exports. The Norwegian Food Safety Authority strives to establish, maintain and improve market access to key export countries. This is achieved through a bilateral dialogue in order to resolve individual issues, and through the negotiation of cooperation agreements and health certificates which are required for export to many countries outside the EEA. Every year, the Norwegian Food Safety Authority issues approximately 65,000 certificates, of which 90 per cent is related to seafood.

The number of certificates will increase when the UK introduces requirements regarding health certificates with effect from 1 January 2021. The Norwegian Food Safety Authority is now looking at how to make the system for issuing health certificates more efficient and flexible. Consideration is also being given to extending the opening hours for the issuing of certificates. The Food Export Regulations came into force on 15 July 2020, streamlining the issuing of certificates. In order to streamline the process further, the Norwegian Food Safety Authority is also working to introduce the use of electronic certificates.

China is the world's largest seafood market. More and more Norwegian seafood is being consumed in China, and the country is one of the largest and most important growth markets for Norwegian seafood. There is considerable food and customs bureaucracy in China, which is challenging to handle. It takes time and requires a detailed knowledge and significant resources to follow up questions relating to market access for food, animal food and germinal products originating from both the seafood and agricultural sectors. Technical meetings with the Chinese authorities require specialist expertise and considerable resources during both preparation and implementation. The possible strengthening of the embassy in Beijing with expertise in this area may be considered further.

The Government will:

- continue the work to simplify and digitalise the Norwegian Customs Services' procedures to ensure the smooth flow of goods across the border
- enable the foreign service offices to better assist Norwegian companies in situations where customs clearance of goods in other countries is taking a disproportionately long time
- strengthen the dialogue with the business community through the national trade facilitation committee, to enable specific challenges and opportunities to be mapped on an ongoing basis
- prioritise the work to improve and implement the provisions of the WTO Agreement and WTO conventions regarding customs procedures

- continue to work within the Norwegian Food Safety Authority to streamline tasks relating to framework conditions regarding exports and the issuing of export documents concerning food, live animals, feed products and germinal products from the seafood and agricultural industries
- consider the possible strengthening of the embassy in Beijing with expertise relating to food products

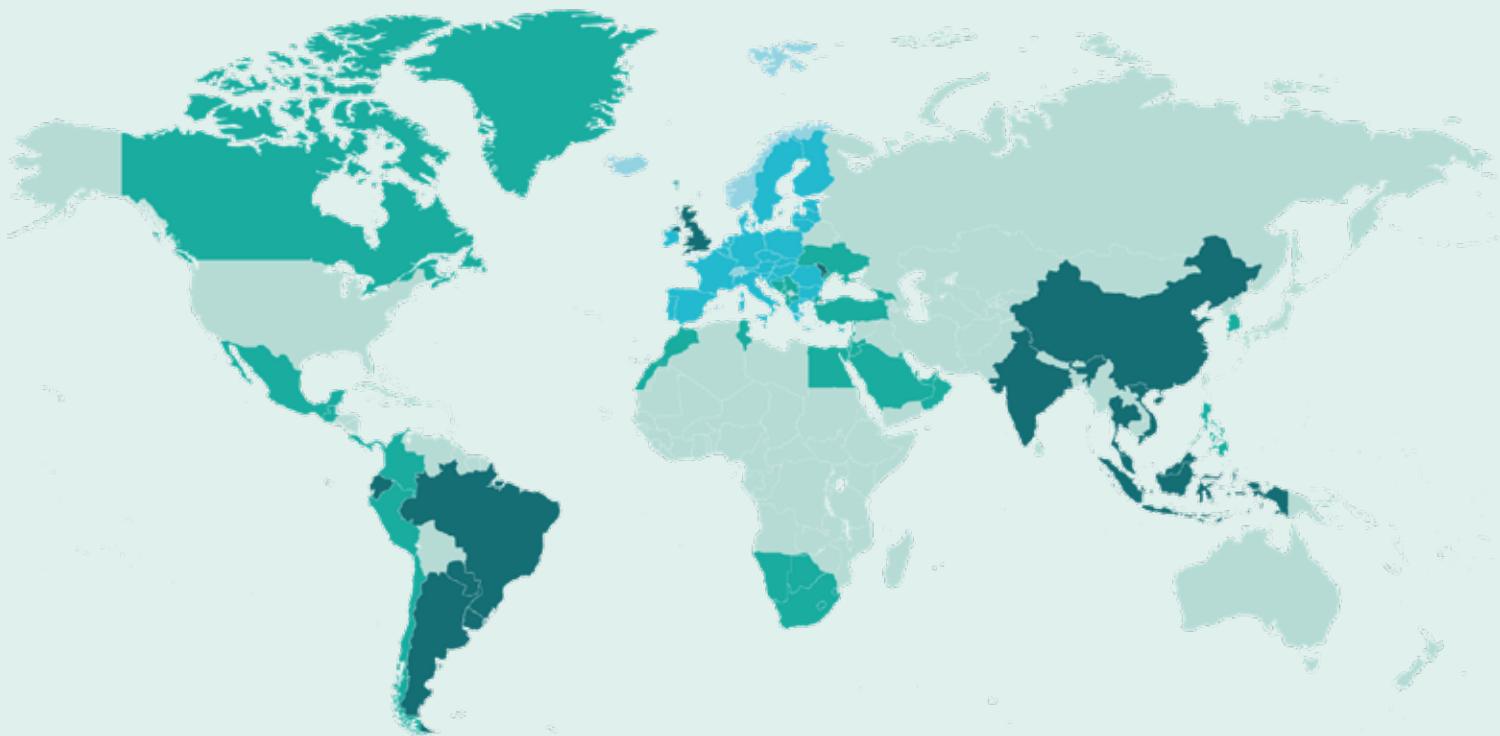
4.13 More and better use of the opportunities inherent in free trade agreements

Norway has one of the world's largest network of free trade agreements.¹⁵ We negotiate either alone or in partnership with Switzerland, Iceland and Liechtenstein in the European Free Trade Association (EFTA). The aim is to ensure that Norwegian companies have the best possible market access and better predictability for exports and imports of goods, trade in services and investments. It is particularly important to enter into free trade agreements with countries with which the EU has or is negotiating agreements, in order for Norwegian companies to benefit from the same market access conditions as competitors from EU Member States. The Government is giving a high priority to concluding the current negotiations with the UK, so that a new and broad free trade agreement is in place when the country leaves the EU and EEA after the end of the transition period on 31 December 2020. High priority is also accorded to the negotiations with China, a key market for the Norwegian business community outside the EU, as well as to the negotiations with India, Malaysia, Thailand and Vietnam. Efforts are also being made to initiate negotiations with Japan and to modernise several older agreements.

There is a growing focus on the role that international trade and trade agreements can play in facilitating more environmentally and climate-friendly development, in order to promote increased trade in environmental goods and related services, reduce unnecessary barriers to this trade and address the need for an effective environmental and climate policy.

¹⁵ More information about Norway's trade agreements can be found at regjeringen.no: <https://www.regjeringen.no/no/tema/naringsliv/handel/nfd---innsiktsartikler/frihandelsavtaler/partner-land/id438843/>

Figure 5: Norway's free trade agreements



● **Ongoing negotiations**

- Vietnam
- Malaysia
- India
- Indonesia*
- China
- Ecuador*
- Mercosur*
- The United Kingdom
- Thailand
- Moldova

● **Free trade agreements Norway has entered into**

- Turkey
- Israel
- Morocco
- Palestine
- North Macedonia
- Mexico
- Jordan
- Singapore
- Chile**
- Lebanon
- Tunisia
- South Korea
- The Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa and Swaziland)**
- Egypt
- Canada
- Colombia
- The Cooperation Council for the Arab States of the Gulf (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates).
- Albania
- Serbia
- Peru
- Ukraine
- Hong Kong
- Montenegro
- Bosnia-Hercegovina
- Costa Rica, Guatemala and Panama
- The Philippines
- Georgia
- Greenland
- The Faroe Islands

● **The EU countries**

- Belgium
- Bulgaria
- Denmark
- Estonia
- Finland
- France
- Greece
- Ireland
- Italy
- Croatia
- Cyprus
- Latvia
- Lithuania
- Luxembourg
- Malta
- The Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- The Czech Republic
- Germany
- Hungary
- Austria

● **The EFTA countries**

- Norway
- Switzerland
- Iceland
- Liechtenstein

* The negotiations of the agreement are concluded, a ratification process is ongoing, or the agreement is subject to a technical and legal review
 ** The agreement is being re-negotiated



Photo: Jonas Christie / Norwegian Armed Forces

The air defence system NASAMS II has been developed by Kongsberg Defence & Aerospace in cooperation with the American company Raytheon Technologies. NAMSAS II is based on the needs of the Norwegian defence, it is internationally leading in its segment and the system is sold to a number of allied countries.

EFTA has developed an extensive proposal for a chapter on trade and sustainable development which is actively pursued in negotiations on new free trade agreements.

There is untapped potential in the application of the free trade agreements. There is much evidence to suggest that the business community, particularly small and medium sized enterprises, is not sufficiently aware of the opportunities that the agreements present and that the agreements are not being leveraged optimally as a result. The authorities therefore wish to involve the business community more closely before, during and after negotiations concerning new trade agreements in order to ensure that Norwegian interests are safeguarded and presented during the negotiations, and that the business community gains a better understanding of the importance of the agreements and the opportunities and rights that they offer to companies in the respective export markets.

The Government will:

- Prioritise negotiations concerning free trade agreements with the UK and China
- Involve the business community more closely before, during and after negotiations concerning new trade agreements
- Seek to make more active use of the cooperation mechanisms in the agreements to assist Norwegian export companies with problem-solving and contact with local authorities
- Raise awareness of the free trade agreements among the export-oriented public, so that information about the agreements better can be included in the export advisory services
- Either bilaterally or through EFTA arrange trade seminars at which public authorities and the business community meet across international borders



Norway at the Frankfurt Book Fair in 2019 – opening of the Norwegian pavilion with Their Royal Highnesses Crown Prince Haakon and Crown Princess Mette-Marit and Prime Minister Erna Solberg.

4.14 Better market access for the defence industry

The market for defence equipment is largely politically controlled, with widespread protectionism as a result. The coronavirus pandemic is expected to amplify this tendency. EU Directive 2009/81/EC on defence and sensitive security procurement was intended to help change this situation, but the results have been disappointing. In Report to the Storting (white paper) No. 9 (2015-2016) National defence industrial strategy, exports and market access are one of the key elements for strengthening the Norwegian defence industry, thereby helping to safeguard our vital national security interests.

The Government will:

- Focus on industrial research and development which meets the needs of the Norwegian Armed Forces and our allies
- Follow up on security of supply agreements with close allies and partner countries

4.15 Stronger focus on art and cultural exports

There is strong interest in and demand for Norwegian and Nordic art and cultural expressions. In recent decades, Norwegian art and cultural life has become more internationally oriented, and more and more people are participating in international arenas, projects and collaboration. At the same time, export revenues account for a modest proportion of the total turnover of Norwegian cultural industries, compared with the country's Nordic neighbouring countries. There is reason to believe that the potential is considerably greater than what is currently being realised. While the coronavirus situation limits opportunities for activities which require large gatherings of people, travel and physical participation across international borders, there are still opportunities as regards what can be disseminated and sold either digitally or in physical formats. Many cultural entrepreneurs and businesses which want to export need advice and guidance.

The Government wants to promote cultural exports and is contributing to such exports in many ways and through a number of ministries. 2019 was a historic year for culture during which Norway had a strong presence in Germany, at the Berlinale International Film Festival, during the Jazzhead jazz festival in Bremen and as a guest country at the Frankfurt Book Fair, one of the world's largest book fairs and most important meeting places for the exchange of ideas and expressions. The cultural initiative paved the way for positive long-term effects, not only as regards Norwegian art and cultural exports, but also for businesses, political cooperation and interaction between Norwegian and German society in general.

In addition to Norwegian Arts Abroad and the long-term work of the foreign service missions to promote Norwegian art and culture on the international stage (see Box 5), the Government has made a multi-year commitment to cultural and creative industries and cultural exports. As part of the initiative, Innovation Norway is carrying out a number of export programmes on behalf of the Ministry of Culture and in cooperation with the organisations in Norwegian Arts Abroad: Computer games out in the world, Architecture out in the world, Literature out in the world and Music out in the world. In 2018, a follow-up evaluation of the initiative relating to the cultural and creative industries was initiated. The final report will be available at the end of 2022. Innovation Norway's preliminary impact assessment shows that cultural export programmes have helped to create jobs and boost value creation.

For many years, Music Norway has been preparing roadmaps for the music industries, as an introduction to the various markets. This forms part of Music Norway's work to facilitate increased exports based on the defined needs of Norwegian music life. Some of the other operators in Norwegian Arts Abroad are working on similar roadmaps for their industries.

The Government will:

- continue and strengthen the focus on the cultural and creative industries with a new mission for Innovation Norway. The mission will include mentoring services and contribute to the recruitment of more qualified mentors and help more companies in the cultural and creative industries to become aware of and use the service

- strengthen the cultural sector's international opportunities and present an international strategy in 2021. The aim of the strategy is to provide policy instruments which support the development of the arts fields and industries, and the cultural policy objectives, in a way which ensures flexibility, a long-term approach and a coordinated effort

4.16 New status report for green exports and continuation of the work relating to green competitiveness

The Government's trade and industry policy must maximise the overall value creation within the Norwegian economy within a sustainable framework. Norway is well-placed to develop and deliver low- and zero-emission solutions from many sectors. If the business community takes responsibility at an early stage, it will gain a competitive advantage in the green shift. To support and facilitate green business development and competitiveness, it is important to have a good overview of the scope of Norwegian exports of green technologies and solutions. No such overview is currently available.

The Government will:

- continue the work relating to green competitiveness
- prepare and present an annual status report concerning green exports. The Ministry of Climate and Environment will initiate a review to determine how such status reporting should be organised

Published by:
Norwegian Ministry of Trade, Industry and Fisheries

Publications are available on:
www.government.no

Design: Konsis Grafisk
Publication number: W-0035 E
11/2020