

HISTORY

The fund was set up to give the government room for manoeuvring in fiscal policy should oil prices drop or the mainland economy contract. It also served as a tool to manage the financial challenges of an ageing population and an expected drop in petroleum revenue. The fund was designed to be invested for the long term, but in a way that made it possible to draw on when required.

1969



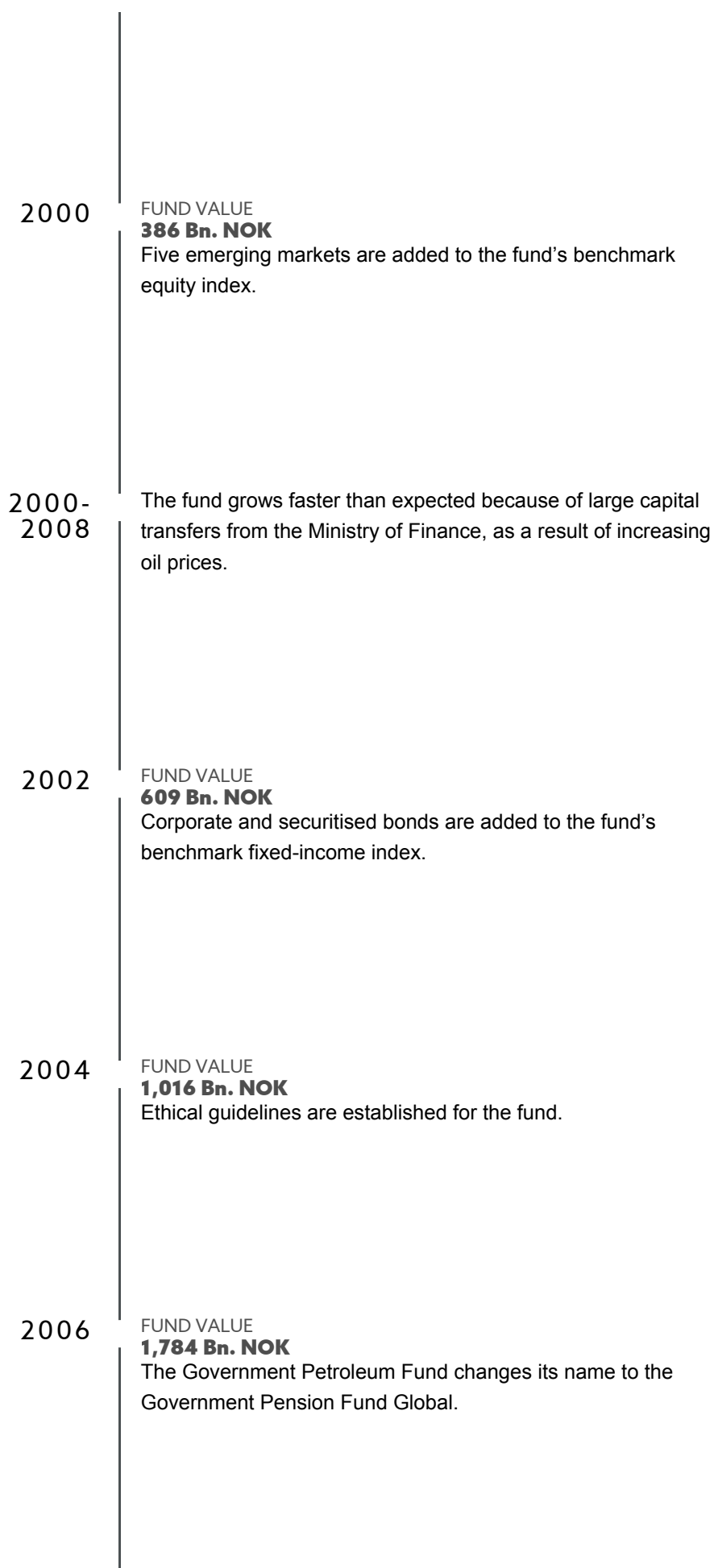
Foto: ConocoPhillips/Norsk Oljemuseum

Ekofisk, Norway's first oil field, is discovered in the North Sea. Production starts in 1971.

1974

The Ministry of Finance submits the parliamentary report "The role of petroleum activity in Norwegian society" discussing how the country's oil wealth should be used.

- 1983** The Tempo Committee, chaired by former Norges Bank governor Hermod Skånland, submits a report (NOU 1983:27) proposing the creation of a fund where the government can store the current temporary rush of oil revenue and spend only the real return.
- 1990** Norway's Parliament passes a law to establish the Government Petroleum Fund. The plan is to regularly transfer capital from the government's petroleum revenue to the fund. The fund's purpose is to support the government's long-term management of petroleum revenue.
- 1996** FUND VALUE
46 Bn. NOK
The fund gets its first capital transfer from the Ministry of Finance. This is invested in the same way as the Norwegian central bank's foreign exchange reserves.
- 1997** FUND VALUE
113 Bn. NOK
The fund is wholly invested in government bonds. The ministry decides to invest 40 percent of the fund in equities.
- 1998** FUND VALUE
172 Bn. NOK
Norges Bank Investment Management is set up on 1 January to manage the fund on behalf of the Ministry of Finance. Norges Bank Investment Management converts about 40 percent of the fund's bond portfolio into equities within the first half of 1998.



2007

FUND VALUE

2,019 Bn. NOK

The Ministry of Finance decides to increase the fund's share of equity investments to 60 percent from 40 percent. It also decides to add small-cap companies to the benchmark portfolio.

2008

FUND VALUE

2,275 Bn. NOK

The Ministry of Finance includes real estate to the fund's investment universe, with a maximum share of 5 percent of total assets. All emerging markets are included in the reference equity index.

2009

FUND VALUE

2,640 Bn. NOK

The fund's ethical guidelines are evaluated. Its share of equity investments reaches 60 percent in June. The fund posts a record return of 25.6 percent.

2010

FUND VALUE

3,077 Bn. NOK

A mandate is introduced to invest as much as 5 percent of the fund in real estate through a corresponding reduction in the fixed-income holdings.

2011

FUND VALUE

3,312 Bn. NOK

The fund makes its first real estate investments.

2012

FUND VALUE

3,816 Bn. NOK

The Ministry of Finance announces plans to gradually reduce the share of European holdings to about 40 percent of the fund and increase investments in emerging markets to 10 percent.