

Norway: Europe's hidden gem

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Norway is a country that often slips below the radar for professionals thinking of working overseas. While it is home to beautiful scenery and offers among the highest quality of life in the world, surprisingly it has not been a particularly popular destination until recently. So what are the key things to be aware of if an organisation is considering posting workers there?

This Scandinavian oil-producing nation made the headlines recently when its sovereign wealth fund became one of the first in the world to ***withdraw and redirect its investment*** away from environmentally-damaging fossil fuels and towards renewable, green energy.

While on the face of it, it may seem like a noble move, the decision was at least partly driven by the massive drop in the price of Brent crude that took place from 2014 until earlier this year – a situation that shook the Norwegian economy to its core and



saw unemployment levels spike. Until the country shifted its investment strategy, it had suffered from what is known as ‘the Dutch disease’, that is, an economy over-reliant on one or two potentially volatile industries.

Indeed, Prime Minister Erna Solberg attributed a major drop in consumer confidence and general optimism in the country to this very situation. “The oil and gas industry became ***too strong in our economy***, especially during the last four or five years,” she said. “Most of the growth came



from that sector, and our strong currency left some of our traditional industries behind.”

Norway, which is not a member of the European Union but is a member of the European Free Trade Association, still remains one of the largest producers of oil and gas in Western Europe. But the rebounding oil price, along with the country’s diversification strategy, have reinvigorated its economy and moved negative growth figures into the positive. Other factors contributing to the rebounding of the country’s economy include tax

cuts and other financial stimuli provided by the government during the downturn.

Economic recovery

This improving economic situation has prompted many local organisations to consider expanding as the recovery continues. It has also stimulated growth in a number of sectors, particularly healthcare and IT where – like many other Western nations – huge skills shortages have created demand for overseas specialists. The Norwegian healthcare system ▶

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is, by the way, one of the most widely admired in the world. All workers are required to pay into a national healthcare fund and the organisation also has the reputation of being a good employer to work for.

But the bounceback experienced by sectors such as healthcare, IT and energy has seen national GDP grow by 1% in the first quarter of this year compared with the last quarter of 2015. Such growth represents a significant turnaround that is, in turn, likely to prompt further economic expansion.

Other more traditional fields that have also contributed to this growth include shipping and aquaculture, both of which have benefited from rising oil prices. Norway has historically been a world leader in these fields with firms such as Leroy Seafood Group and Marine Harvest competing at a global level.

Tax issues

But for employers deciding to assign staff to one of Europe’s most dynamic countries, a few things need to be kept in mind in relation to tax. For one thing, all foreign workers must register their presence in the county and be able to show their employment contracts to domestic authorities when required. The legal entity for which they work must also be wholly registered in Norway and social security has to be paid on their salary unless employers have access to an E101 certificate.

Another consideration is that, while the country is home to some of the most beautiful and iconic landscapes in the world, it is also painfully expensive. In fact, a number of studies have found that Norway is one of the costliest places to live when factors such as rent and the cost of fuel and food are considered. As a result, wages tend to be comparatively high.

On the plus side, the people are very friendly (they were recently voted the ***second happiest population in the world***) and crime rates are incredibly low, making it an extremely safe place to reside. So all in all, Norway is a highly attractive proposition for professionals interested in an assignment overseas and you shouldn’t experience any shortage of potential candidates. ■

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