



## Norway's gigantic sovereign wealth fund loses a record \$164 billion, citing 'very unusual' year

### Description

**Norway's sovereign wealth fund was established in the 1990s to invest the surplus revenues of the country's oil and gas sector.**

Norway's sovereign wealth fund on Tuesday reported a record loss of 1.64 trillion Norwegian kroner (\$164 billion) for the whole of 2022, citing "very unusual" market conditions.

The so-called Government Pension Fund Global, among the world's largest investors, returned -14.1% last year, which it said was 0.88 percentage points better than the return on its benchmark index.

"The market was impacted by war in Europe, high inflation, and rising interest rates. This negatively impacted both the equity market and bond market at the same time, which is very unusual," Norges Bank Investment Management CEO Nicolai Tangen said in a statement.

"All the sectors in the equity market had negative returns, with the exception of energy," Tangen said.

The fund's previous largest loss was 633 billion kroner in 2008 amid the global financial crisis.

The \$1.3 trillion fund was established in the 1990s to invest the surplus revenues of Norway's oil and gas sector. To date, the fund has invested in more than 9,300 companies in 70 countries around the world.

Norway's vast North Sea oil and gas reserves are the bedrock of the fund's wealth. Indeed, the country's skyrocketing fossil fuel revenues amid Russia's war in Ukraine have prompted an impassioned debate about international justice.

Opposition lawmakers, prominent economists in Norway, and even titans of the country's energy industry have called on the government to set an example to the world by pumping its bumper

petroleum profits into a new international solidarity fund.

Norway's Foreign Ministry has said it is fully aware of the responsibility that comes with its energy resources.

by Sam Meredith

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