



# Oslo Outlook

June 2024



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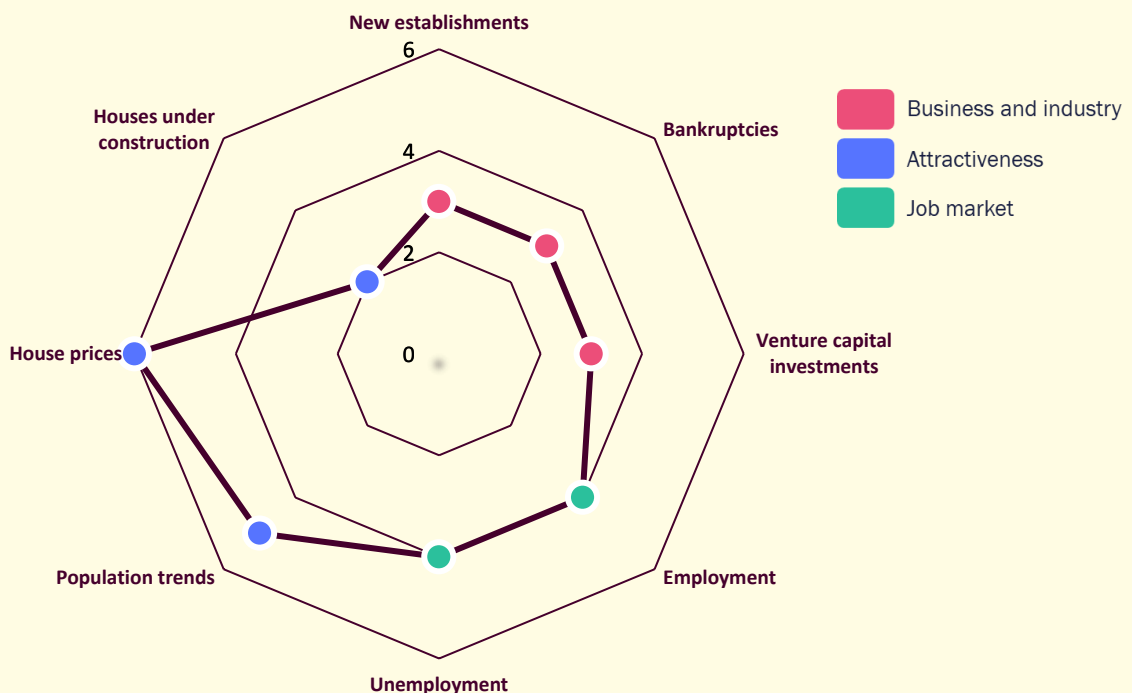
# Summary

**Labor Market:** The number of employed individuals fell by 1.2 percent in Oslo during the first quarter of 2024. While the number of employed individuals is decreasing, both the number of job vacancies in the business sector and the unemployment rate remain at the same level as the previous quarter. This may indicate a mismatch between the skills demanded by businesses and the skills of available workers. The accommodation and food service industry and the construction industry experienced the largest decline in employment, with a decrease of approximately 4 percent.

**Business Sector:** The business sector in Oslo is influenced by high interest rates, but access to capital is beginning to improve. In the first quarter, the number of investments in startups in Oslo increased, and the amount invested was higher than in any quarter of 2023. The first quarter also saw a moderate increase in the number of business establishments, and the number of bankruptcies declined.

**Attractiveness:** Housing prices in Oslo have risen sharply so far in 2024, with a total increase of 7 percent. In April, housing prices reached an all-time high. Domestic migration to Oslo is increasing, and the number of overnight stays in Oslo has been higher than in the "record year" of 2023.

The report is prepared by Menon Economics on behalf of Oslo Business Region. The report is published quarterly and is based on the latest available data.

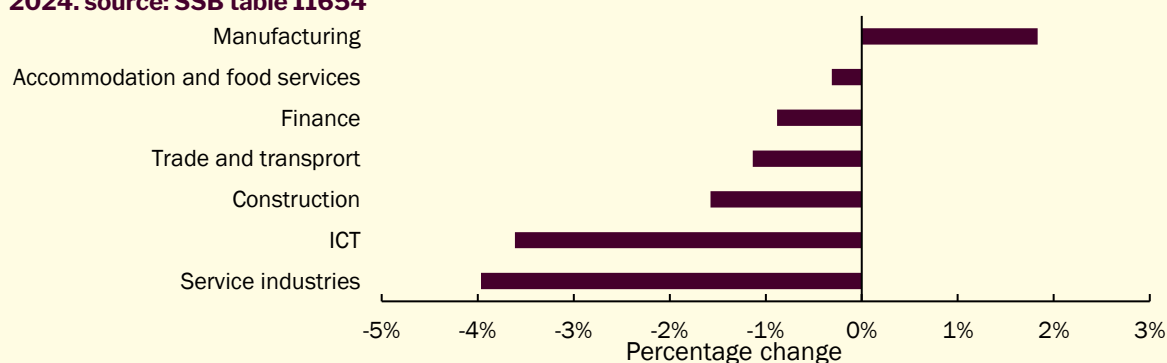


# Job marked

## Employment

Employment in the private sector decreased by 1.2 percent in the first quarter of 2024, after having grown in the previous three quarters. The decline in employment was spread across several industries but was most significant in the accommodation and food service industry, and the construction industry. The high interest rate can explain the decline in employment. For the accommodation and food service industry, the high interest rate affects consumers by leaving them with less money to spend, while in the construction industry, the high interest rate results in lower investment and reduced construction activity. The financial sector was the only industry that experienced an increase in employment in the first quarter, with an increase of 1.8 percent.

**Figure 2: Quarterly change in employment in selected private industries in Oslo for the first quarter of 2024. source: SSB table 11654**

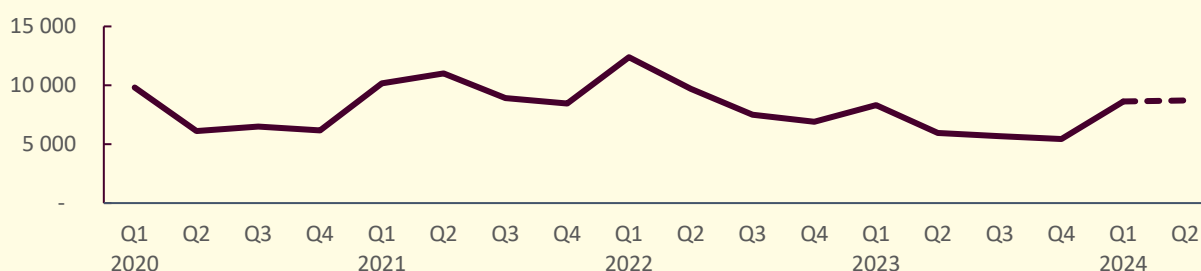


Unemployment in Oslo has remained low despite a decline in the number of employed individuals. At the end of May, unemployment in Oslo was 2.5 percent and has remained stable over the past six months within the range of 2.4-2.6 percent. Unemployment in Oslo is still at a lower level compared to other Nordic capitals.

## Vacancies

The number of job vacancies in the second quarter has so far been at the same level as in the first quarter of 2024. At the end of May, there were 6,500 job vacancies in Oslo, representing a 20 percent increase from May 2023. The number of job vacancies remains at a normal level, despite the decline in the number of employed individuals. This indicates that while some industries are experiencing a reduced demand for labor, other industries have an increasing demand for labor. This may be due to changes in the labor market that have led to a mismatch between the skills demanded by businesses and the skills available, although unemployment has not yet been affected by this.

**Figure 3: Number of job vacancies in Oslo, quarterly average. Source: NAV**

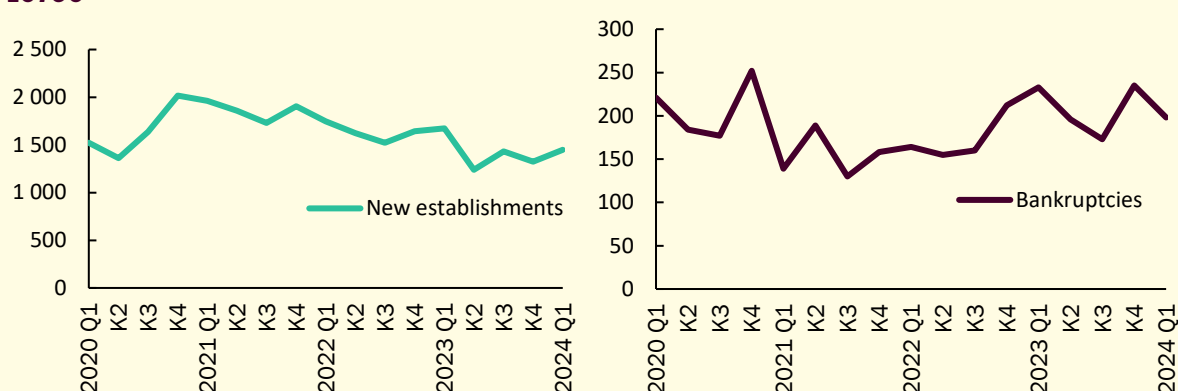


# Business and industry

## New establishments and bankruptcies

The number of new establishments is increasing, while the number of bankruptcies is decreasing. A total of 1,447 companies were established in Oslo in the first quarter of 2024, representing a 9 percent increase from the previous quarter. Most of the new establishments were companies within the ICT services and real estate sectors. Although the number of establishments increased in the first quarter, the establishment rate remains low compared to the levels in 2021 and 2022. In the first quarter of 2024, 198 companies went bankrupt in Oslo, marking a 16 percent decline from the previous quarter. Most bankruptcies occurred in the construction, retail, and scientific, and technical services sectors.

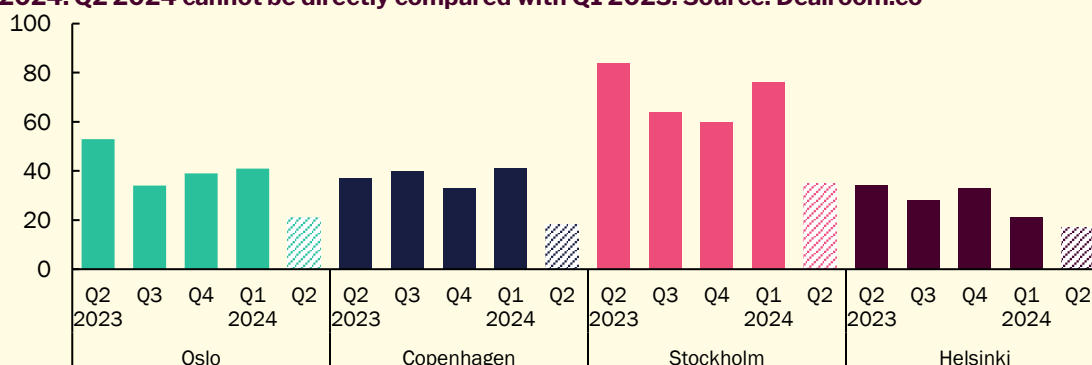
**Figure 4: Number of business establishments and bankruptcies in Oslo. Source: SSB tables 08076 and 10790**



## Investments in scale-ups

Investment activity in Oslo is beginning to pick up again. The number of investments in Oslo increased slightly in the first quarter of 2024. The number of investments in Oslo was roughly on the same level as Copenhagen, while the number of investments in Stockholm remains significantly higher than in the other capitals. So far in the second quarter, 21 investments have been made in Oslo, which is higher than in Copenhagen and Helsinki, but lower than in Stockholm.

**Figure 5: Number of investments in growth companies in the Nordic capital regions. Data retrieved on June 4, 2024. Q2 2024 cannot be directly compared with Q1 2023. Source: Dealroom.co**



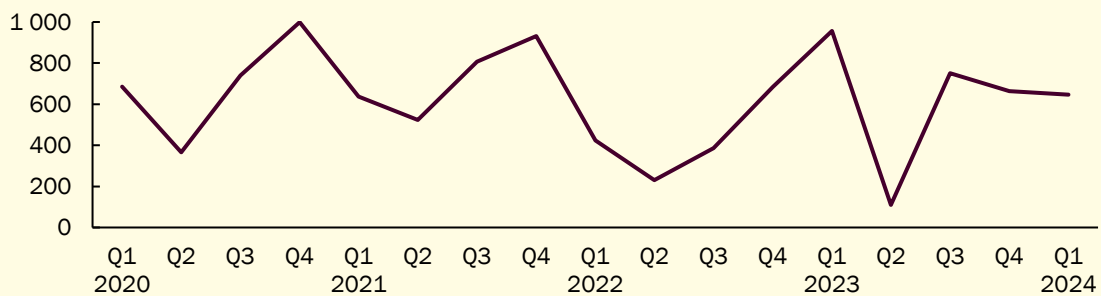
The invested amount in Oslo was higher in the first quarter of 2024 than in any quarter of 2023. The total invested amount was 281 million dollars in the first quarter of 2024, representing a 45 percent increase from the previous quarter. So far in the second quarter, the invested amount in Oslo is low compared to the other three capitals, with only 78 million dollars invested.

# Attractiveness

## Houses under construction

The number of new housing units initiated in Oslo remains approximately at the same level as in the previous two quarters. Increased funding costs and price increases have resulted in fewer housing projects being initiated, creating a challenging situation for the construction industry. A total of 646 housing units were started in the first quarter, a marginal decrease from the previous quarter. However, the decline was smaller than what has been observed in the first quarter of the last three years. This may be due to a very low number of starts in the second half of 2023, with some of these starts being postponed to 2024.

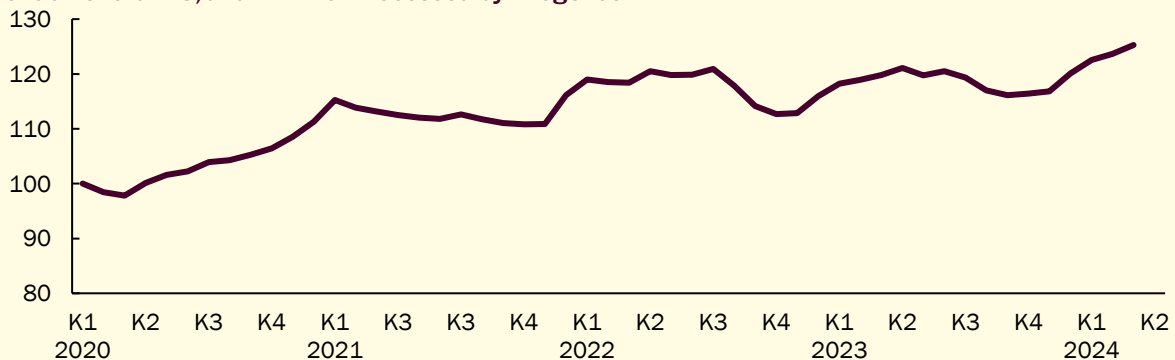
**Figure 6: Number of home constructions starts in Oslo. Source: SSB table 03723**



## Development in house prices

In April, housing prices reached an all-time high. In the first four months of 2024, housing prices have increased by a total of 7 percent. The explanation behind the significant increase in housing prices in Oslo in 2024 are complex. In addition to the usual seasonal variations, the growth in 2024 can likely be attributed to optimism related to the central bank of Norway's signals that interest rates will not rise further. Additionally, the supply of newly constructed housing in Oslo has decreased. Given the high demand for housing in Oslo, a shortage of housing will lead to rapid price growth.

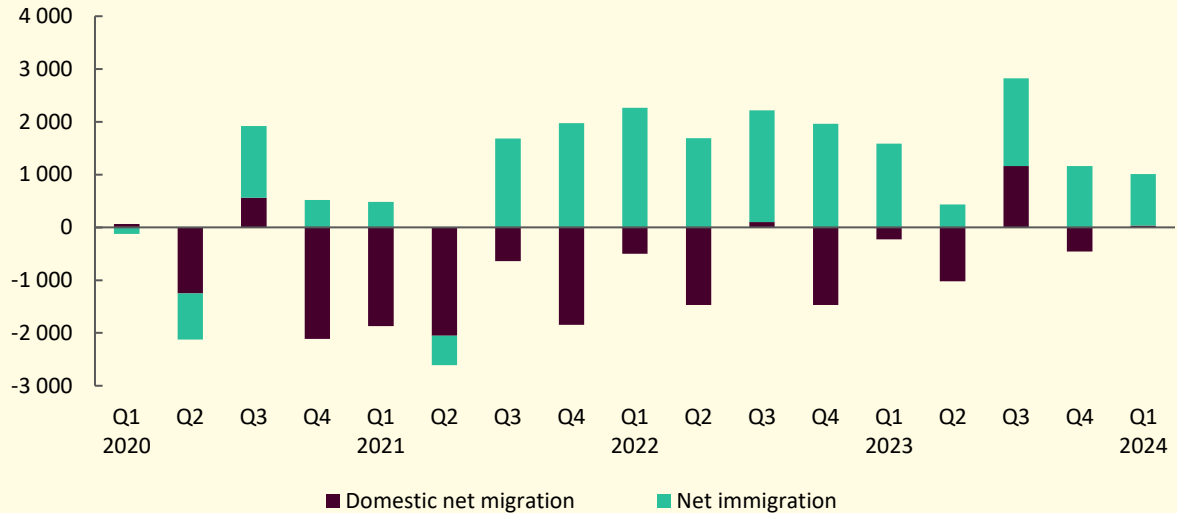
**Figure 7: Housing price development in Oslo. Indexed (Q1 2020 = 100). Source: Eiendom Norge, Eiendomsverdi AS, and Finn.no. Processed by Krogsvæen.**



## Population trends

The trend in Oslo of higher net domestic migration and stable net immigration continued in the first quarter of 2024. The population in Oslo is growing, with immigration contributing the most to this growth. In the first quarter of 2024, Oslo experienced positive population growth with a net increase of 1,010 people. Of these, 970 were a result of positive net immigration, while the remaining 40 were due to net domestic migration.

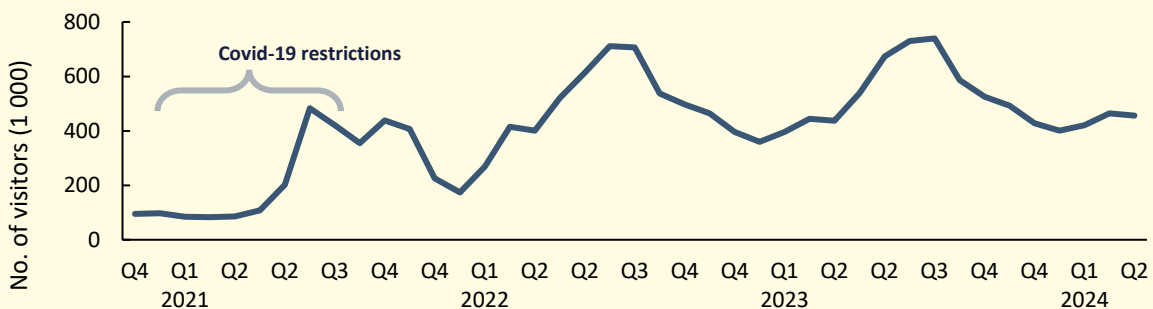
**Figure 8: Quarterly net domestic migration and net immigration in Oslo.<sup>1</sup> Source: SSB table 01222**



## Visitors

In April 2024, there were 456,000 overnight stays in Oslo. The number of visitors in Oslo are usually highest in the summer and lowest in the winter months. Compared to April 2023, there was a 4 percent increase in the number of overnight stays. In terms of hotel capacity utilization in Oslo in April, the occupancy rate was 63 percent of the total hotel room capacity. This is significantly higher than the same month in 2022 and 2023, when occupancy was 56 and 55 percent, respectively. **Both visitor numbers and occupancy rates indicate an underlying growth in visitors to Oslo.**

**Figure 9: Number of overnight stays in Oslo. Source: SSB table 14162**



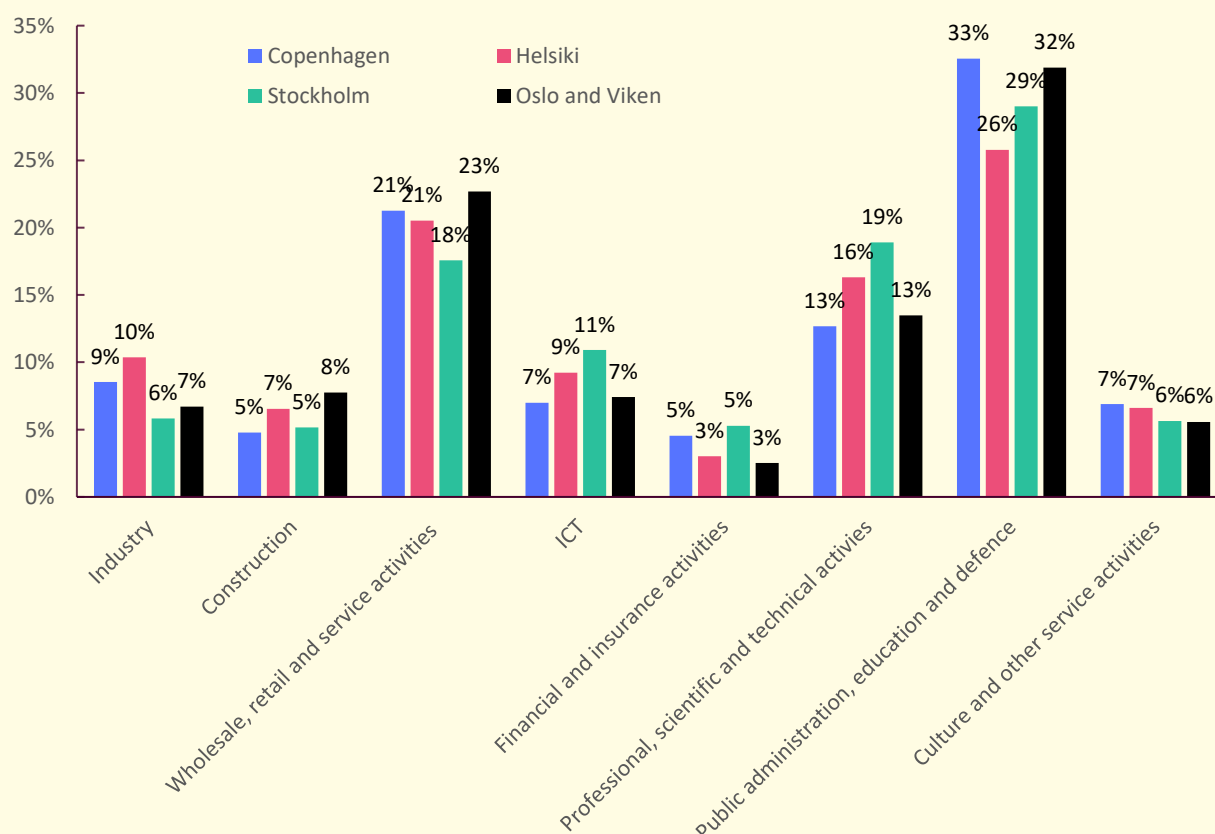
<sup>1</sup> Net immigration here refers to immigration minus emigration during the period. Net internal migration here refers to migration from other parts of Norway minus migration from Oslo to other parts of Norway.

# Feature – Employment

The composition of occupational groups in the Nordic capitals is relatively similar, but with some distinct differences. These differences are due to both historical factors and recent initiatives in the four capitals. In this chapter, we look at some overarching differences between the four capitals before delving deeper into two key export industries in Oslo.

Figure 10 shows the distribution of employed individuals categorized by industry sectors<sup>2</sup>. The industry-distributed employment in Oslo is very similar to that of Copenhagen, with the exception that Oslo has a higher proportion of employment within construction, trade, and service occupations. Oslo and Copenhagen also have the highest proportion of public sector employees, at 32 percent, while Helsinki and Stockholm have 26 and 29 percent public sector employees, respectively. Stockholm has a large tech and innovation environment, reflected in a high proportion of employment within knowledge services. The Helsinki region has a smaller service sector than the other capitals but is characterized by technological services and industrial activities. Oslo is strongly influenced by its connection to maritime and oil and energy-related services. Additionally, tourism and life sciences are important industries. As the capital, Oslo also has a significant presence of the financial sector, IT, and a broad range of knowledge-based services. However, the proportion of employment in these industries is at the lower end among the Nordic capitals.

**Figure 10: Distribution of occupational groups in the four capital cities in 2023. Source: Eurostat**



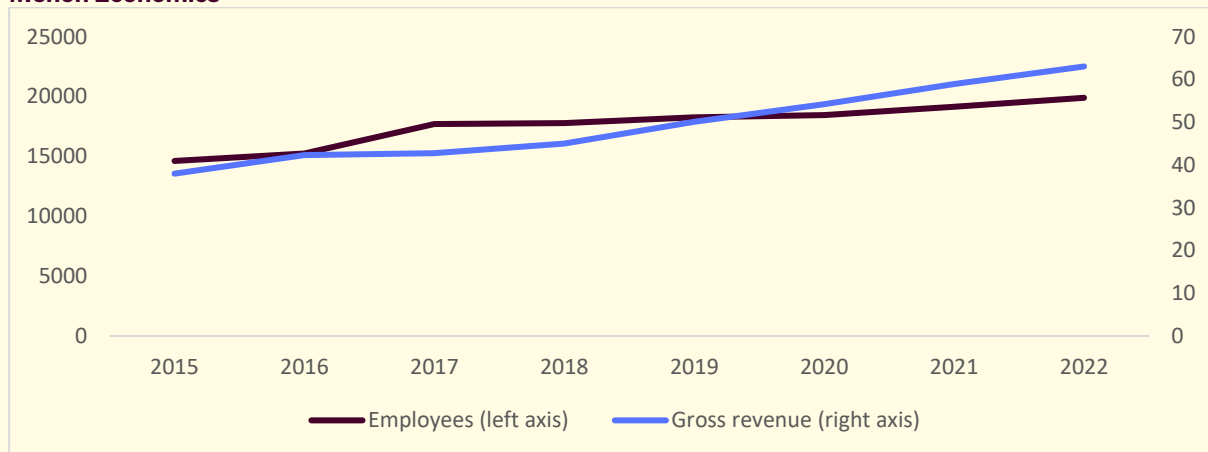
<sup>2</sup>The basis for the industry classification is the EU's standard [NACE](#), which forms the basis for Statistics Norway's 'Standard for Industrial Classification (SN)



## Health and life sciences

The health industry accounted for approximately five percent of total exports in Oslo in 2022<sup>3</sup>, and is characterized as knowledge-intensive and highly productive. Health is a relatively large and rapidly growing industry in Oslo. Health and life science companies employed nearly 20,000 people in Oslo in 2022, which represents an increase of 36% since 2015. During the same period, revenue almost doubled from NOK 33 billion to NOK 63 billion.

**Figure 11: Number of employees and revenue in billions NOK within health and life sciences in Oslo. Source: Menon Economics**



Among the Nordic capitals, Copenhagen stands out as the leader in the field of life sciences. This can be attributed to a long-term focus and cluster collaboration in health and biotechnology, which has resulted in the growth of major companies in the area. Novo Nordisk, the world's largest producer of insulin, is based in Copenhagen and was Europe's largest company by market value in 2023.

## Renewable energy sector

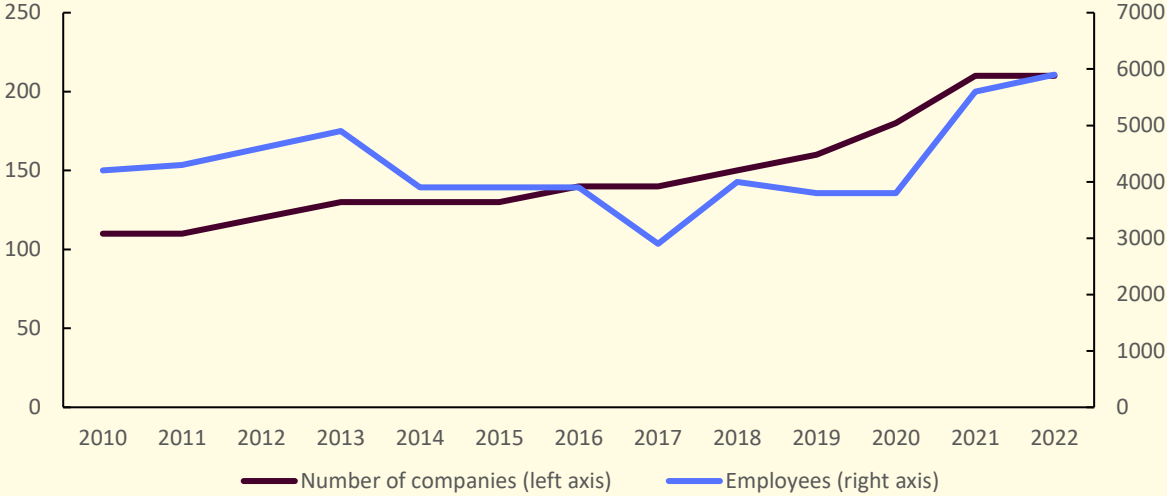
The renewable energy sector in Oslo is a diverse industry that we define as companies with activities related to renewable energy and hydrogen.<sup>4</sup> In 2022, there were 211 active companies in Oslo's renewable energy sector, employing a total of 5,900 workers<sup>5</sup>. Of these, nearly 2,000 were employed by either Statnett or Statkraft, both of which have their headquarters in Oslo. Companies within the supplier industry include players like Nexans, Siemens, Rystad Energy, and Fred. Olsen Windcarriers. In the power sector, one finds Fortum, Hydro Energi, and Elvia.

<sup>3</sup> [Eksportmeldingen - Oslo](#)

<sup>4</sup>The companies in the dataset are fully or partially part of the renewable energy or hydrogen sector. Renewable energy relates to hydropower, wind power, solar energy, and bioenergy. We also include power markets and distribution, power grids and material recycling, and supplier industries that deliver to wind power both onshore and offshore.

<sup>5</sup> The employment estimate pertains to the total employment of the companies in Oslo. For some offshore wind energy producers and equipment suppliers, activities related to renewable energy constitute a relatively small portion of their total revenue. Consequently, the employment directly related to the renewable energy sector is overestimated for some companies.

**Figure 13: Number of companies<sup>6</sup> and employees in renewable energy and hydrogen sectors in 2022.**  
**Source: Menon Economics**



The number of active companies in Oslo's renewable energy sector has nearly doubled from 2010 to 2022. Employment has also increased significantly, though not at the same growth rate. Employment in companies whose activities are partly or entirely directed toward the renewable energy sector has increased by 41 percent during this period. Oslo serves as a knowledge hub with strong natural science research communities at the University of Oslo (UiO), contributing to idea generation relevant to both startups and established companies in the renewable energy sector.

<sup>6</sup> Include companies that either have revenue and/or employees in Oslo.



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