



EN English Politics

Norway Should Cede Its War Windfall to Ukraine

Jan 30, 2025 | HÅVARD HALLAND and KNUT ANTON MORK

After the Ukraine war caused natural gas prices to rise sharply, Norway collected windfall profits totaling an estimated \$113 billion. Refusing to use these gains to support Ukraine's defense and reconstruction is not only morally wrong; it also reflects a myopic perspective that Norway's government should abandon.

EDINBURGH/TRONDHEIM – Norway's government has effectively become a war profiteer, we argued in a [commentary](#) in December. It is an opinion shared by a [number](#) of European [politicians](#), and by [European](#) and [Norwegian media](#). But rather than paying attention, Norway's government is getting defensive.



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The basic facts are not up for debate. After the outbreak of the Ukraine war caused natural gas prices to rise sharply in Europe, Norway reaped windfall profits **totaling** some €108 billion (\$113 billion), according to Norway's Ministry of Finance. That is more than the value of all **military and civilian support** Ukraine has received from the United States and Germany **combined** from when the war started through October 2024. It is roughly one-third of the value of the Russian central-bank assets that are currently frozen in the West (and which Western governments have **extensively debated** channeling to Ukraine for defense and reconstruction).

But Norway has kept its windfall for itself, **providing** a measly €3 billion in aid to Ukraine in its 2025 budget, only slightly up from the previous year. This approach is simply wrong: Norway must transfer its recent "super-profits," excess profits above the normal level, in full, directly to Ukraine.

Fortunately, Prime Minister Jonas Gahr Støre and Finance Minister Trygve Slagsvold Vedum seem more interested in justifying their decision not to do so than in helping Ukraine, Europe, or even future Norwegians.

Støre and Vedum **contend** that the windfall gains were a normal result of the myriad market forces that determine gas prices. But this argument is disingenuous. While it is true that many factors shape energy prices, Norway's excess profits overwhelmingly reflect one: in 2022-23, it had in Europe a captive market for its natural-gas exports. This was a direct result of the Ukraine war: Russia had cut its natural-gas supplies to Europe, but European gas importers had not yet managed to build **liquefied natural gas terminals** to offset the loss.

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Støre and Vedum do not stop at dismissing Norway's war profits as good fortune; they claim that their government, and the oil companies operating in Norway, did our European neighbors a favor by stepping up gas supplies when Russian deliveries ceased. Europe should be thanking us, Vedum **says**. This "Good Samaritan" narrative smacks of hypocrisy, especially as Norway, while pocketing its lucky gains from the spike in gas prices, sends a pittance to the Ukrainians fighting and dying for their country's survival and Europe's security.

In fact, from the perspective of European gas consumers, the elevated gas prices were equivalent to a Norwegian "war tax" on them. The increased energy costs strained the budgets of households and companies, thereby reducing European governments' room to raise taxes for supporting Ukraine's war effort. And yet, many of these countries have still managed to provide far more support to Ukraine, as a share of GDP, than Norway has.

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Støre and Vedum **say that**, rather than use its windfall as a "political instrument," the excess profits should go directly into the Government Pension Fund Global, Norway's sovereign wealth fund, where they will be preserved for future generations of Norwegians. This position aligns with Norway's longstanding commitment to safeguarding its long-term fiscal sustainability, exemplified by a rule that no more than 3% of the fund's value can be transferred to the government budget each year.

But Støre and Vedum's position is short-sighted in the current context. After all, what could harm future generations of Norwegians more than the failure to preserve democracy, freedom, and the rule of law in Europe?

In any case, the fiscal rule was created to prevent domestic macroeconomic problems (such as exchange-rate appreciation and excessive inflation), which would not arise if the funds were transferred directly to Ukraine. The leaders responsible for establishing it – including former Norwegian Prime Minister and former NATO Secretary-General **Jens Stoltenberg** – could not possibly have imagined that Norway's government would one day use it to justify holding on to wartime rents.

Norway did provide critical energy supplies to Europe in a desperate moment. But in a purely fiscal sense, one can argue that the country did more to support Russia, as its captive market for gas (which it did nothing to create) limited its neighbors' ability to raise wartime taxes, while Norway refrained from sending much aid to Ukraine. Meanwhile, Norway has enriched itself immensely, through the returns on the government's direct investments in oil and gas fields, dividends from its ownership share in its parastatal oil company Equinor, and tax revenues from oil companies, which are subject to a 78% marginal rate on their profits.

Refusing to use this war windfall to support Ukraine's defense and reconstruction reflects a myopic perspective that Norway's government would do well to abandon. Despite our reluctance to join the European Union, we Norwegians are part of – and dependent on – the European community. Rather than focusing exclusively on narrow domestic interests, Norway's government must start considering the well-being of all of Europe. Growing threats to liberal democracy – coming not only from our big neighbor to the East, but also from our big ally across the Atlantic – makes this shift all the more urgent.

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