

Sweden eyes 'significant' 2012 outlook revision

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Swedish Finance Minister Anders Borg said Thursday the Scandinavian country would need to revise down its strong economic growth expectations for 2012 due to the global financial market turbulence.

"It is obvious that we will carry out a significant downward revision of the forecast we provided in the spring" for next year due to the "current turbulence", Borg told a news conference.

On April 13, Borg had said that Sweden's gross domestic product was expected to grow 4.6 percent this year and by 3.8 percent in 2012.

Thursday, the finance minister said Sweden's centre-right government did "not yet have all the elements at hand" to estimate the exact impact the current crisis would have on the country's GDP trajectory.

The turmoil on global stock markets amid growing concerns of a new looming financial crisis would also have "consequences for public finances" in Sweden, one of Europe's strongest economies, Borg said.

He added that his previous forecast of a nearly 2.0-percent budget surplus in 2012 would likely be revised down as well.

He stressed however that Sweden remained "well-prepared" to face the global turbulence, pointing out that the country "has long experience in handling this kind of problem."

"It is becoming ever more probable that we will be close to balancing (the budget) or even a surplus this year and that we have good possibilities of securing strong public finances," Borg said.

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"We will have the strongest public finances in the EU system, or one of the strongest, next year as well, just not quite as strong as we previously thought," he added.

The government is set to present its 2012 budget next month.