

Sweden prepares finance sector defence

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Swedish Finance Minister Anders Borg said Tuesday the Scandinavian country was putting in place measures to protect its finance and banking sectors from being sucked into the European debt crisis.

"More money for financial inspection, better control, strengthened protection of deposit guarantees and changes to the banks' capital reserve requirement rules," are some of the measures the centre-right government aims to quickly put in place, Borg wrote in an opinion piece in Sweden's daily of reference Dagens Nyheter.

The commentary was co-signed by Swedish Finance Market Minister Peter Norman and chair of the parliamentary finance committee Anna Kinberg Batra.

It appeared as Borg was preparing to attend an extraordinary meeting of the parliament's finance committee called to discuss the expanding crisis in global financial markets.

"Sweden, which has a small, open economy, will be affected," they wrote, adding "how much will depend on our capacity to ensure that effective measures can protect employment and welfare against the sometimes crazy affects of the debt crisis."

They stressed nonetheless that Sweden, which counts one of the strongest economies in the European Union, has a financial system "considered to be stable."

On August 11, Borg cautioned that Sweden would be affected by the growing debt crisis, warning that the Scandinavian country's strong growth forecasts for next year would be

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revised down.

In next month's budget proposal, the centre-right government also aims to push for "extra resources for inspecting financial markets," Borg and his colleagues wrote.

They pointed out that "the latest stock market trouble shows how the banks with a lot of debt can quickly find themselves in trouble."

Ahead of Tuesday's parliamentary meeting, Borg meanwhile cautioned to the TT news agency that Sweden is facing "a difficult autumn ahead."

"We will surely have periods when the markets are little calmer ... but since the basic reason for the tensions will remain I think the autumn will be long and difficult," he warned.