

Possible easing of the economic slowdown, but the EU is warning of imbalances in the Swedish economy, Swedbank said in its economic outlook.

- [Sweden's economic outlook darkens](#)

- Economic data in recent months point to continued weakness in the Swedish economy, but also that the decline may have halted. The export slowdown late last year probably means that growth was negative in the fourth quarter. At the same time domestic demand appears to have been stronger than expected and household confidence remains stable. This could help to offset weaker global conditions. Against the backdrop of the weak indicators late last year, the Riksbank cut the repo rate to 1.5% and signalled that it intends to stay at this level until the middle of next year.□

- Sweden missed four of ten criteria considered critical to macroeconomic stability. Within the framework of its crisis management, the EU reached agreement last year on a reform package to strengthen economic governance (the so-called Six-Pack). This includes analysing the macroeconomic imbalances in member countries. □

- The Swedish economy is facing imbalances both internally and externally, according to the EU Commission. Domestically, the biggest risks are high housing prices and private debt ratios. This coincides with several years of rapid credit expansion. Externally, Sweden has lost export shares in the global market, which is a sign that it has failed to keep pace competitively. The conclusions will be followed by detailed analyses and recommendations from the commission.

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