# Sweden's Riksbank urged to cut interest rates

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Reuters said that Sweden's top economic think tank has lined up with critics of the central bank who see it as keeping borrowing costs too high while expressing cautious optimism that growth would be slightly higher than expected this year.

Mats Dillen, head of the National Institute of Economic Research (NIER), told Reuters he expected an upwards revision of its growth forecast this year from 0.4 percent.

Dillen added that the central bank had room to ease borrowing costs further and brushed off worries about possible problems from rising house prices and indebtedness, factors mentioned by several central bankers as worries.

Swedish GDP grew 0.8 percent quarter-on-quarter in the first three months of this year, and 1.5 percent year-on-year, well above forecasts.