Written by Johan Nylander
Wednesday, 27 June 2012 10:35 - Last Updated Wednesday, 27 June 2012 10:39

Export demand is shaky and concerns among households and businesses are growing as summer begins, Swedbank said in its latest report about Sweden's economy. Here are the highlights:

- Demand for Swedish exports is at risk of weakening as practically all of Sweden’s key export markets face growing uncertainty. After zero growth in the first quarter, we are likely to see continued sluggish exports over the summer.

- Domestic demand also appears to fall back after a strong first quarter. Declining confidence indicators, rising unemployment and falling stock values are affecting household spending, and global concerns make it less likely that the strong corporate investment growth from the first quarter will be repeated.

- Our short-term economic outlook for Sweden therefore calls for lower growth prospects, and also increased risks. The debt crisis in Europe as well as weak development in the US and China could produce chilly summer showers for the Swedish economy.