

Sweden's krona drops as economic growth slows

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Sweden's krona weakened after new figures showed that the country's economic growth slowed less than estimated in the third quarter as consumers continued to spend even as the crisis in the euro area prompted exporters to cut jobs, Bloomberg said.

The country, which is heavily export dependent and, like Germany, specializes in high-value manufacturing, is being hit by the European crisis and a slowdown in China as well. Some 50 percent of Swedish GDP comes from exports and a third of those are shipped to the euro zone.

"The European economy is hitting primarily our exports and investments" which will result in "a clear slowdown," Swedish Finance Minister Anders Borg told the newswire. "We will have to track the development closely".

The country's GDP expanded a seasonally adjusted 0.5 percent, compared with growth of 0.7 percent the prior quarter, Stockholm-based Statistics Sweden said. Economists surveyed by Bloomberg News forecast growth of 0.2 percent. Annual growth slowed to 0.7 percent from 1.3 percent, the agency said.

Sweden's currency dropped 0.3 percent to 6.6657 per dollar and is down 0.6 percent this week.