

- [Mixed signals about the Swedish economy](#)

Bloomberg said that Sweden's economy, Europe's strongest as recently as 2010, will hardly grow this year as the crisis that started in Greece spreads north, killing jobs, sapping confidence and tipping the housing market into a decline.

"Judging by the central bank's outlook, the Swedish economy has shifted down to a dramatically lower gear," Anders Kjaer, a senior analyst at Nykredit A/S in Copenhagen, said in a note. "Growth in the fourth quarter looks to have been negative."

The government will cut the economic growth outlook for 2012 to 0.5 percent from an August estimate of 1.3 percent as exports falter, according to Finance Minister Anders Borg.

Central bank Governor Stefan Ingves said in an interview house prices may slide further in the largest Nordic economy after almost halving his economic forecast for the economy, Bloomberg said.

"Sluggish growth in the euro area has subdued the demand for Swedish exports, which slowed down significantly in 2011," the Riksbank said. The weaker outlook means households are spending less, and companies are delaying investment, it said.

Unemployment is expected to rise to 7.7 percent this year and stay at that level until 2014.