

## Export reliance kills jobs in Sweden

Written by Johan Nylander

Monday, 05 March 2012 03:17 - Last Updated Monday, 05 March 2012 03:57

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Bloomberg said that Sweden's reliance on exports to Europe has turned Scandinavia's erstwhile strongest economy into the region's laggard as job losses undermine demand.

"It will get worse before it gets better," Andreas Jonsson, an economist at Nordea Bank AB in Stockholm, told the newswire. "We will see rising unemployment during most of 2012."

He said there is a risk the largest Nordic economy will contract this year, versus the central bank's forecast for 0.7 percent growth.

Last month central bank Governor Stefan Ingves said Sweden is entering a period of "much lower growth," prompting him to cut rates for a second time in as many meetings. Still, those cuts probably won't be enough to prevent a recession, Jonsson said.

Sweden is more vulnerable to a slowdown in exports because the country is heavily dependent on cyclically sensitive investment and intermediate goods.

Sweden and Norway are also losing their appeal as havens from Europe's debt crisis at a time when the krona and krone are more overvalued than at almost any point in the past 40 years.