

Eurozone exiting the recession and its implications for the Midlands

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Dr Michel Goyer of Birmingham Business School's [Department of Management \(/schools/business/departments/management/index.aspx\)](/schools/business/departments/management/index.aspx) recently featured on BBC Radio Coventry and Warwickshire, discussing the Eurozone coming out of recession and its implications for the Midlands.

The interview focussed on the positive news in the Eurozone, with specific mention about the positive growth in France and Germany during April-June 2013.

“ Firstly, the growth in France and Germany is good news since it is associated with increasing exports in both countries. Secondly, we should distinguish between German and French growth.

The German economy has a comparative advantage in market niches characterized by incremental innovation, long-term investments in the skills of core employees, and less price sensitive than most other countries. Although the EU constitutes the bulk of German exports, German companies have seen their exports in non-EU markets raise in recent years.

By contrast, French exports are more price sensitive and concentrated in the rest of the Eurozone. The situation of French companies might be more fragile given the importance of macroeconomic conditions.

[Dr Goyer \(/staff/profiles/business/michel-goyer.aspx\)](/staff/profiles/business/michel-goyer.aspx) then discussed the implications for firms located in the Midlands and how they are not necessarily negative.

“ Given the overall underdevelopment of training and the greater price sensitivity, firms in this region are competing in different market niches than German firms.

A recovering Eurozone might be in the interests of firms in this region, thereby remind us that while joining the Euro might not be an attractive option, exercising influence over the rules of economic governance in the EU remains important.

The audio is available for a limited period on the [BBC Radio Coventry and Warwickshire website \(http://www.bbc.co.uk/programmes/p01d6p59\)](http://www.bbc.co.uk/programmes/p01d6p59) (2:07:50).

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