

7 Misconceptions about France and Germany

#1 “France’s higher birth rate leads to higher potential growth”. Wrong!

More **human capital** does not guarantee expansion. While the French fertility rate stood at 1.96 and Germany’s reached 1.5 (2015), German **GDP growth** is estimated to reach 1.9% in 2017 and 2018. The forecast for France is 1.2%*.

Why is that? First, **population growth** has picked up in Germany. Second, people must work to drive potential growth. Germany’s **employment rate** for the 15-64 age group reached 74.7% in 2016. France’s is 64.2%**.

28%
French youth
employment rate***
(2016)



* European Commission Economic Forecast

** Eurostat, Allianz, Euler Hermes.

*** youth = 15-24 age group

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