

This master thesis analyses the impact of the euro on the German economy. The research is conducted through the examination of German export, GDP level, and labor market. It is also supplemented with the evaluation of the past, current and future stages of the Eurozone. The thesis provides a detailed theoretical background, which explains the motivation for the creation of a common currency. As a tool to prove the validity of my hypotheses I use the synthetic control method, where I model a hypothetical case, in which Germany did not adopt the euro. The validity of my results will be tested by using the confidence intervals and comparing the RMSPE ratio. By using this unique approach, I aim to contribute to the series of academic papers about the validity of the euro. In my research I have come to the conclusion, that the euro has positively influenced Germany's economy.