Health Management

Together with the universities of Hamburg and Kiel, as well as other cooperation partners from the business world, HHLA is developing a Group-wide occupational health management system as part of the GESIOP project. This joint initiative on "preventive measures for the safe and healthy workplace of tomorrow" is funded by the German Federal Ministry of Education and Research. The project aims to systematically develop and steer existing or newly introduced occupational health promotion activities. As a result, HHLA's strong commitment to occupational health and safety is becoming an integral part of the consistent efforts it is already making in the field of sustainability management.

Economic Environment

Macroeconomic Development

Global economic growth continued to slow in 2016. According to estimates of the International Monetary Fund (IMF), it was down 0.1 percentage points on the previous year at 3.1 % – the lowest rate of growth since the 2008/2009 financial crisis. Despite a slight upward trend at the end of the year, the advanced economies as a whole failed to provide any momentum. Similarly, growth in the emerging economies was no more than stagnant at the prior-year level. In addition, political decisions such as the United Kingdom's vote to leave the European Union (EU) or the election of Donald Trump as president of the USA triggered significant economic uncertainty. Against this background, world trade was even weaker than global gross domestic product (GDP) and grew by just 1.9 % – 0.8 percentage points below the prior-year figure.

Development of Gross Domestic Product (GDP)

in %	2016	2015
World	3.1	3.2
Advanced economies	1.6	2.1
USA	1.6	2.6
Emerging economies	4.1	4.1
China	6.7	6.9
Russia	- 0.6	- 3.7
Eurozone	1.7	2.0
Central and Eastern Europe (emerging european economies)	2.9	3.7
Germany	1.7	1.5
World trade	1.9	2.7

Source: International Monetary Fund (IMF), January 2017

Whereas the advanced economies experienced a significant slowdown in economic growth to 1.6 %, the emerging economies appeared to shake off their economic weakness over the course of the year. Rather than slowing down further, the rate of expansion stabilised at the prior-year level of 4.1 %. The Chinese economy weakened slightly once more in 2016 but performed better than forecast with growth of 6.7 %. After suffering a strong decline of 3.7 % in the previous year, the Russian economy is only expected to contract by 0.6 % in 2016. The Ukrainian economy also appears to be slowly finding its way out of the crisis following a marked decline in the previous year. According to IMF estimates from October 2016, economic output in Ukraine is likely to expand by 1.5 % in 2016 as a whole. Despite the economic uncertainty surrounding the UK's plans to leave the EU, growth in the eurozone was surprisingly stable and is expected to reach 1.7 % – down 0.3 percentage points on the previous year. GDP in the emerging economies of Central and Eastern Europe slowed even further, declining by 0.8 percentage points to 2.9 %.

The latest economic indicators for the German economy continue to suggest solid growth of 1.7 %, representing a year-on-year improvement of 0.2 percentage points. At the same time, growth in German foreign trade was slowed by economic uncertainty and weak global trade over the course of the year. According to Destatis, exports grew by 1.2 % and German imports by 0.6 % in 2016.

Sector Development

The situation in the container shipping segment remained challenging in 2016. Market research institute Drewry expects global container throughput in the reporting period to remain at a weak growth level of 1.3 % as in the previous year. By contrast, the European shipping regions regained momentum following stagnation and, in some areas, severe slumps in the previous year. Drewry anticipates throughput growth of 1.5 % in 2016 for the north-western European ports. At the same time, the severe drop in throughput at the Scandinavian and Baltic Sea ports has been stopped and experts are also forecasting throughput growth of 1.5 % for this region in the reporting period.

Development of Container Throughput by Region

in %	2016	2015
World	1.3	1.3
Europe as a whole	1.9	- 1.7
North-West Europe	1.5	0.1
Scandinavia and the Baltic region	1.5	- 12.2
Western Mediterranean	2.9	1.3
Eastern Mediterranean and the Black Sea	1.9	- 4.1

Source: Drewry Maritime Research, December 2016

The trend among the major container ports of the North Range, as well as the largest ports of the western Baltic Sea (Gdansk, Gothenburg), was mixed. The Port of Hamburg recorded slight growth of 1.0 % in the year under review. Europe's largest container port, Rotterdam, handled 12.4 million TEU, 1.2 % more than in the previous year. Throughput in Antwerp rose by 4.0 % year-on-year to exceed 10 million TEU for the first time, thus extending its position as Europe's second largest container port. By contrast, throughput volumes continued to decline at Zeebrugge – the second Scheldt port in Belgium – and were down 10.8 % on the previous year at 1.4 million TEU in the reporting period. This was due to volume shifts and the closure of a further terminal. Bremerhaven stemmed the downward trend of the previous years somewhat in 2016 but was again down on the previous year with a decline of 1.0 % to 5.5 million TEU. Growth at the nearby JadeWeserPort in Wilhelmshaven was spurred by its increased integration into the 2M alliance route network. It handled a total of 0.5 million TEU, 12.9 % more containers than in the previous year. Gdansk increased container throughput by 19.1 % to 1.3 million TEU in the reporting period and thus more than offset the cargo losses caused by the Russian crisis in 2015. By contrast, the volume of containers handled in Gothenburg fell by 2.7 % against the previous year to 0.8 million TEU.

Development of Container Throughput at Northern European Ports

in million TEU	2016	2015	Change
Rotterdam	12.4	12.2	1.2 %
Antwerp	10.0	9.7	4.0 %
Hamburg	8.9	8.8	1.0 %
Bremen ports	5.5	5.6	- 1.0 %
Zeebrugge	1.4	1.6	- 10.8 %
Gdansk	1.3	1.1	19.1 %
Gothenburg	0.8	0.8	- 2.7 %
Wilhelmshaven	0.5	0.4	12.9 %

Source: Port Authorities

Despite the modest growth in container throughput, market research institute AXS Alphaliner estimates that the carrying capacity of the global container ship fleet increased by 1.5 % to 20.3 million TEU in 2016. The number of ultra large vessels with a capacity of more than 10,000 TEU increased particularly strongly, with growth of 16.1 % to total 388. This means that some 69 % of the ships delivered in 2016 can carry in excess of 10,000 TEU.

Rail freight traffic in Germany recorded modest growth over the course of the year. Compared with the previous year, transport volumes only rose by 0.3 % in the first ten months of 2016. However, traffic performance – transport volume multiplied by the distance travelled – increased slightly by 1.6 % in the same period.

Rail freight traffic declined across Europe. Transport demand for rail traffic was already diminished in the first three quarters, both at European level and in those markets of Central and Eastern Europe of particular relevance to HHLA. Whereas transport volumes fell by 1.3 % year-on-year across Europe as a whole, the decline of 4.7 % recorded in Central and Eastern Europe was considerably stronger. However, trends varied strongly in the individual markets. Transport volumes in Poland and Hungary fell year-on-year by 4.2 % and 1.7 % respectively in the first nine months of 2016. By contrast, rail cargo in the Czech Republic rose by 1.2 %. The decrease in traffic performance across Europe was less pronounced than the decline in transport volumes. However, the decline in traffic performance in Central and Eastern Europe was comparably strong.