The average length of service with the company in Germany is approximately 15.3 years.

Average employment period

in years	**31.12.2019**	31.12.2018
< 30 years	4.9	5.2
30 – 50 years	11.5	11.6
> 50 years	23.5	23.9
HHLA Germany	**15.3**	**15.5**

The percentage of employees with a severe disability (including persons of an equivalent status) was 8.5 % at the end of the reporting period (previous year: 9.8 %).

Personnel development

HHLA invested a total of € 4.6 million in educating and training staff at its locations in Hamburg in 2019 (previous year: € 4.6 million).

As of 31 December 2019, 66 apprentices and 18 students were receiving training in Germany in six different professions and seven dual study courses. 32 % of the 84 apprentices and students were female. The ratio of female students in 2019 was 50 % (previous year: 54 %).

16 of the 17 apprentices (of whom three were on dual study courses) who successfully completed their training in the course of the year were given permanent contracts. A total of 29 new apprentices were taken on at the company's Hamburg facilities in 2019, of whom 28 % were women. At the start of the 2019 academic year, women accounted for 9 % of technical apprentices and 30 % of industrial apprentices.

In total, over 641 events lasting one or more days were held in the reporting period. These included over 509 internal vocational courses conducted by HHLA's own trainers over 2,899 training days. In addition, 132 one- to multi-day events with 1,075 participant days were organised as part of the company's cross-segment seminar programme. 38 % of the participants were women (previous year: 36 %).

Detailed workforce-related information on strategic HR management, personnel development, occupational safety and health promotion, as well as contracts, remuneration and additional benefits can be found in the Sustainability section of the report.

Economic environment

Macroeconomic development

The latest estimates of the International Monetary Fund (IMF) indicate that global economic expansion slowed noticeably in 2019. Economic growth was hampered in particular by political conflicts such as the trade dispute between the USA and China, as well as the uncertain outcome of Brexit. Nevertheless, the global economy stabilised towards the end of the year, buoyed by positive signals in the trade dispute.

Development of gross domestic product (GDP)

in %	**2019**	2018
World	2.9	3.6
Advanced economies	1.7	2.2
USA	2.3	2.9
Emerging economies	3.7	4.5
China	6.1	6.6
Russia	1.1	2.3
Eurozone	1.2	1.9
Central and Eastern Europe (emerging european economies)	1.8	3.1
Germany	0.5	1.5
World trade	1.0	3.7

Source: International Monetary Fund (IMF), January 2019

As a result, the IMF expects restrained growth in global gross domestic product (GDP) of 2.9 % for 2019. The advanced economies exhibited weaker growth than in the previous year, due to slower expansion in the United States brought about by a lack of temporary fiscal incentives and weaker export figures. The emerging economies also came under pressure during the course of the year. China only just reached its growth target of 6.0 % to 6.5 % – its slowest growth rate in almost three decades. Following a weak first half of the year, the Russian economy only resumed its upward trend towards the end of the year. For Ukraine, however, the World Bank expects economic growth of 3.6 % on account of the impetus provided by the agricultural and service sectors. Due to a lack of export growth and political strains, the eurozone economy lost further momentum in 2019 and grew by 1.2 % year-on-year. In October 2019, the IMF forecast economic growth of 3.2 % for Estonia in 2019, which is 1.6 percentage points below the prior-year figure. Having shown itself to be surprisingly robust in the face of the weak eurozone economy, underlying economic growth in the Central and Eastern European member states of the European Union (EU) has now begun to slow. The rate of expansion also declined in those Central and Eastern European countries outside the EU, driven primarily by economic turbulence and the geopolitical unpredictability of Turkey. With the upturn in the German economy already having cooled in 2018, economic expansion increasingly faltered over the course of the year. A lack of economic momentum and the trade dispute between the USA and China were reflected in global trade volumes, which only grew marginally by 1.0 % year-on-year.

Sector development

Growth in global container throughput cooled further in 2019. According to the most recent estimates by Drewry, global throughput climbed by 2.3 % last year. This is below expectations, as throughput of 3.0 % for 2019 was still being forecast midway through the year.

Development of container throughput by region

in %	2019	2018
World	2.3	4.9
Europe as a whole	3.3	5.2
North-West Europe	3.4	2.9
Scandinavia and the Baltic region	3.5	11.3
Western Mediterranean	5.0	5.1
Eastern Mediterranean and the Black Sea	1.2	7.9

Source: Drewry Maritime Research, December 2019

The weakening of throughput growth was observed in almost all shipping regions, albeit to different extents. In Europe, growth momentum from North-West Europe and the Western Mediterranean was unable to offset the weaker trend in Scandinavia and the Baltic, the Eastern Mediterranean and the Black Sea. There was even a noticeable year-on-year slowdown in growth in the world's highest-throughput region, Asia. In China, volume at container ports grew by just 1.2 %, which was partly a consequence of the trade dispute with the USA.

Container throughput at Northern European ports

in million TEU	2019	2018	Change
Rotterdam	14.8	14.5	2.1 %
Antwerp	11.9	11.1	6.9 %
Hamburg	9.3	8.7	6.1 %
Bremen ports	4.9	5.5	- 11,4 %
Gdansk	2.1	1.9	6.4 %
Zeebrugge	1.7	1.6	4.8 %
Wilhelmshaven	0.6	0.7	- 2.5 %

Source: Port Authorities

The trend among the major container ports of the North Range, as well as the largest ports of the Baltic Sea, was mixed. In the Port of Hamburg, throughput volume of 9.3 million TEU in the reporting period was up significantly on the previous year (8.7 million TEU). As a result, Hamburg continues to rank third among European container ports, despite the ongoing work to dredge the river Elbe. Europe's largest container port, Rotterdam, handled 14.8 million TEU in 2019, 2.1 % more containers than in the previous year. Container throughput in Antwerp was up 6.9 % year-on-year to 11.9 million TEU. At the ports in Bremen, however, container throughput fell considerably, with 11.4 % less containers compared to 2018. The JadeWeserPort in Wilhelmshaven was also 2.5 % down on the previous year's figure. Container throughput at the Polish and Russian Baltic Sea ports increased once again, although not as strongly as in the previous year.

According to the most recent estimates from September 2019, freight traffic across all modes in Germany will continue its upwards trend from the previous year. Transport volumes are expected to be up slightly by 0.9 % year-on-year, while the rise in traffic performance – transport volume multiplied by the distance travelled – is likely to increase by 1.2 %. Growth in road traffic will be weaker than in the previous year, at 1.1 %. Traffic performance is expected to grow much more slowly than in 2018, at 1.5 %. Due to a significant decline in the transport of metals and metal products, the volume of rail transport is expected to fall by 1.1 %. Traffic performance will also decline by 1.1 %. By contrast, intermodal traffic is expected to benefit from the robust performance in other classes of goods, with strong growth in volume and performance of 3.5 % and 3.1 %, respectively.

Course of business and economic situation

Key figures

in € million	2019	2018	Change
Revenue	1,382.6	1,291.1	7.1 %
EBITDA	382.6	318.5	20.2 %
EBITDA margin in %	27.7	24.7	3.0 pp
EBIT	221.2	204.2	8.3 %
EBIT margin in %	16.0	15.8	0.2 pp
Profit after tax and minority interests	103.3	112.3	- 8.0 %
At-equity earnings	4.5	5.3	- 16.6 %
ROCE in %	10.8	14.8	- 4.0 pp

Overall view of the course of business

Despite an increasingly volatile market environment, the HHLA Group developed very successfully in 2019. Due to growth in overseas volumes and the integration of the acquired Estonian terminal TK Estonia in the middle of the year, there was a moderate increase in container throughput. Container transport significantly exceeded its strong prior-year result, driven by road and rail transport. Developments at HHLA's two largest segments led to significant revenue growth at Group level. The operating result (EBIT) was markedly higher than in the previous year as the initial application of IFRS 16 had a positive impact. Adjusted for this effect, there was a slight year-on-year increase in the operating result (EBIT).