Business forecast

Macroeconomic outlook

In its outlook published in July 2021, the International Monetary Fund (IMF) upheld its forecast of 6.0 % **global economic growth** for 2021. While overall expectations for the industrialised nations were raised, estimates for the emerging economies were downgraded. The adjustments reflect country-specific factors such as the progress of vaccination efforts, as well as political and financial measures. If there is further progress with vaccinations, the IMF assumes that the return to normal will continue in the second half of 2021. These factors are likely to have a positive impact on **global trade** and the IMF has thus raised its corresponding growth forecast to 9.7 %.

Growth expectations for GDP 2021

Growth expactation in %	January	April	July
World	5.5	6.0	**6.0**
Advanced economies	4.3	5.1	**5.6**
USA	5.1	6.4	**7.0**
Emerging economies	6.3	6.7	**6.3**
China	8.1	8.4	**8.1**
Russia	3.0	3.8	**4.4**
Eurozone	4.2	4.4	**4.6**
Central and Eastern Europe (emerging european economies)	4.0	4.4	**4.9**
Germany	3.5	3.6	**3.6**
World trade	8.1	8.4	**9.7**

Source: International Monetary Fund (IMF), 2021

Sector outlook

The forecasts of the market research institute Drewry regarding container throughput in 2021 were subject to significant fluctuations in the first half of the year. In March, expectations for the European shipping regions in particular were significantly downgraded due to renewed, or more stringent, lockdowns and the slow pace of vaccination campaigns. In view of strong economic momentum, falling infection figures and rising vaccination rates in the second quarter, however, the experts upgraded their sector outlook for 2021 again in their June forecast compared with March.

For instance, the upturn in **global container throughput** is likely to be much significant than previously assumed in March. In comparison to 2019 – leaving out the pandemic year of 2020 – global container throughput is set to increase by 71 million TEU in 2021. Never before have ports had to cope with such a large increase in volume during a single year.

Expected container throughput by shipping region 2021

Growth expectation in %	December	March	June
World	8.9	8.7	**10.1**
Asia	9.0	9.7	**10.3**
China	9.1	12.4	**12.0**
Europe as a whole	7.7	4.0	**6.8**
North-West Europe	8.1	0.3	**8.1**
Scandinavia and the Baltic region	10.5	4.1	**5.6**
Western Mediterranean	9.3	7.3	**7.6**
Eastern Mediterranean and the Black Sea	4.8	7.7	**4.3**

Source: Drewry Maritime Research, 2020/2021

Expected Group performance

The economic development of HHLA in the first half of 2021 was largely in line with expectations. The disclosures made in the 2020 combined management report regarding the expected course of business in 2021 therefore continue to apply. However, expectations for container transport and revenue for the Port Logistics subgroup and the Group have been raised.

For the **Port Logistics subgroup**, a moderate year-on-year increase in container throughput is expected, as well as a significant increase in container transport (previously: moderate increase). In view of the positive trend in the first half of 2021, a significant increase in revenue is now expected for the year as a whole (previously: moderate increase). EBIT for the Port Logistics subgroup is still expected to be within the range of € 140 million to € 165 million.

A slight year-on-year increase in revenue is still considered possible for the **Real Estate subgroup** with an operating result (EBIT) on a par with the previous year.

At **Group level,** HHLA now expects a significant increase in revenue (previously: moderate increase), while an operating result (EBIT) in the range of € 153 million to € 178 million is still anticipated.

Risk and opportunity report

With regard to the HHLA Group's risk and opportunity position, the statements made in the 2020 combined management report continue to apply, unless otherwise indicated in this report.

The risks identified still do not threaten the ongoing existence of the Group. As far as the future is concerned, there are also no discernible risks at present that could jeopardise the continued existence of the company.