

Germany: Hamburg elections

What the results of the Hamburg elections mean for national politics and the economy



Source: Shutterstock

The elections in Hamburg on Sunday were the only state elections in Germany this year. Around 1.3 million people were eligible to vote after two exciting weeks in German politics, which were affected by the political turmoil in Thuringia and the shooting in Hanau. According to the last projections of the night, the SPD came in as the largest party, despite significant losses, with 39% (from 45.6% in the 2015 elections). The SPD's coalition partner in Hamburg, the Greens, recorded their second best result ever in state elections with 24.2% (from 12.3%). The CDU had its second worst result ever in state elections, dropping to 11.2% (from 15.9%). The Left Party had a minor gain at 9.1%. In the course of the evening, both the FDP and the AfD were at risk of not entering parliament. According to the last projections, however, the FDP came in at 5.0% and the AfD at 5.3%. The final results will only be announced tonight. According to media reports, there could have been a mistake in one district, mixing up votes for the FDP and the Greens. If confirmed and corrected, the FDP could have failed to enter state parliament.

What Hamburg means for Berlin

State elections are always a mix of regional topics and national trends. In the Hamburg elections, the events of the last weeks have clearly had an impact on the results of FDP and AfD. At the same

time, however, Hamburg is also traditionally a state with an electorate that preferably supports the broad political centre. Interestingly, according to surveys, the topics which the Hamburg electorate called most important were affordable housing, climate change and infrastructure. Immigration has dropped off the list of most important topics.

There are, in our view, several implications and lessons from the Hamburg elections for German national politics.

- Even though the SPD's strength could be labelled Hamburg-specific, it also suggests that the SPD does not necessarily have to shift towards the political left wing in order to win elections.
- The Greens look set to challenge the CDU's no.1 spot at the national level, benefiting from strong support in at least urban areas in the West. However, the Greens will need a chancellor candidate with statesman flair.
- The CDU's loss will add to the recent inner-party unrest regarding which political direction the party should take and with which personnel. The transition into the post-Merkel era will be wobbly.
- The AfD seems to lose support in West-German states but remains strong in states in the East. As the absolute votes for the AfD remained broadly unchanged, the AfD seems to have suffered from higher voter turnout.

It was 'only' a state elections with some 1.3 million eligible voters. However, the elections in Hamburg will have implications for national politics. The coalition partners of the German government in Berlin both once again lost votes in state elections. With the CDU struggling to enter a smooth transition into the post-Merkel era, a political landscape in which the centre now has three parties (CDU, SPD and Greens) and increasing political differences between West and East, German politics are likely to become more inward-looking than they already are until the next national elections (currently scheduled for Autumn 2021). This does not bode well for new significant steps towards more Eurozone integration and additional fiscal stimulus.

Author

Carsten Brzeski

Global Head of Macro

carsten.brzeski@ing.de

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person

for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.