

Newsletter



OVERAL REVIEW

Life with the pandemic continues



New circumstances in which we live, work, travel and educate in recent months have raised the topic of remote work, online education and social distance to the very top of public interest. Corona pandemic led to an unexpected acceleration of the change in the organization of everyday life and work. Most employees still working in situation of the severe isolation, from their living rooms or dining rooms, using mobile phones, remote computers to access data located on the company's secure networks. In just a few weeks, the corona virus started a real revolution. Tiny, invisible virus, has driven fear into the bones of the whole world.

Everything changed radically including human habits, needs and demands.

Most experts claim that now it is necessary to calm down, gather around and stay there until the world returns to its balance. Patiente is very important today. In these new conditions, people strive to provide as much as possible a stable income, enough supplies of food and medicine and safe environment for themselves and their families. Until the world returns to normal, social life, going to theaters, cinemas, restaurants, tourist trips to distant destinations will have to wait for a while.

In the meantime, people will, if they don't already, have to get used to the new living and business conditions.

MARKET NEWS AND TRENDS

The impact of the pandemic on paper industry

As the pandemic affected Europe cartonboard producers and especially parts of the paper industry that are related to expensive, high-quality packaging and graphic paper segment, short term decline in deliveries were especially pronounced in the segment of graphic papers, while recycled board segment even recorded jumps in some periods.

In the moments of strict isolation, people were focused exclusively on providing household necessities and food, so it is clear why the packaging segment recorded an increase in deliveries at one period. Throughout the course of the pandemic so far, one of the key economic measures has been the maintenance of a stable supply chain. Provision of medical equipment, medicines, food and beverages in key moments to those in need, proved to be a crucial role for participants in the supply chains.

Our Mill has been operating at full production capacity since the beginning of 2020 and throughout the whole isolation period and the duration of the pandemic. There were many adjustments in business, the most important of which was to adapt and fulfil all measures taken to prevent the spread of the virus, adaptation to home-office work, enable a stable inflow of raw materials and ensure stable deliveries. It was especially difficult to provide key raw materials for production due to the closure of borders, as well as due to the downtime of some of the supplier companies. Also, deliveries were slowed down at some point, due to quarantine and the risk of traveling to other countries.

Within period Jan-Sept 2020, Mill managed to ship 100,028 tons of cardboard which is 3 % more than planned quantity for the same period. Our products in first 9 months were sold on 34 markets around the world. During same period (Jan-Sept 2020) we produced 98,954 tons which is 2 % above planned production quantity. Furthermore, achieved financial results for the first three quarters match budgeted ones.

The third quarter of 2020 was marked by a return to a relatively stable state, although in no case should we forget to respect the measures of distance and protection against the spread of the virus. After all, we can proudly say that we managed to meet all the needs and requirements of our partners and customers, and we believe that we have succeeded in that.

Long-term credit line from Austrian development bank for production expansion and energy efficiency

During August, our Mill and OeEB signed a bilateral long term credit line of 25 million €. The funds will be used to expand the production capacities and wastewater treatment and will thereby contribute to greater energy efficiency.

With this credit line, OeEB supports our Mill in the implementation of energy efficiency measures. The purchase of modern production facilities, the conversion of individual production units and the use of more environmentally friendly technologies will reduce greenhouse gas emissions and energy consumption and thereby contribute to environmental protection.

Through this long-term investment, OeEB also supports the company in opening new job positions, promoting exports, and generating income and government revenues. This does not only contribute to climate protection, but also increases the employment rate in Serbia and enables non-consumer-based growth. www.oe-eb.at, www.umka.rs



World Cleanup day 2020 – 19th September

This year as well, we marked the World Cleanup Day on September 19th, with a team action of cleaning the immediate surroundings of our Mill. With the help of the local community, our sister companies Ekostar Pak and Kappa Star Recycling, we cleaned the embankment in Umka and Ostružnica.

All participants who responded to this "think globally act locally action" were provided with protective gloves, bags for degradable and non-degradable waste.

"The companies in our group are committed to the goals of sustainable development in their business, but it is important for us to send a message with our personal example that we can make a fundamental change only with joint efforts, and that is why our motive is Recycling together," said Miloš Ljušić CEO of paper division at Kappa Star Group

World Cleanup Day, which is being held for the 11th time this year, is one of the most massive environmental actions held around the world with the desire to encourage individuals, organizations and countries to participate in solving the problem of environmental pollution by waste.



During the action in which the employees of Ekostar Pak, Umka Cardboard Mill, Kappa Star Recycling, citizens of Umka and Ostružnica and representatives of the municipality of Čukarica participated, more than 100 bags of waste were collected, half of which were handed over for recycling. In this way, the message was sent that we all separate waste in households, dispose of it in the prescribed place and thus contribute to recycling and preservation of the environment. Read more on our official LinkedIn page: <https://www.linkedin.com/company/umka-board-mill>



In Q3 2020 we managed to deliver our products to 32 countries across Europe, Asia, Middle East and North America. In the third quarter, we had deliveries to Mexico, Israel, England and Spain among others.

Depending on the transportation possibilities, pandemic issues and all other relevant factors, we will continue to adapt and follow latest market trends and limitations caused by the pandemic.

Thank you for your trust and cooperation!

If you have questions or inquires please contact us

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