

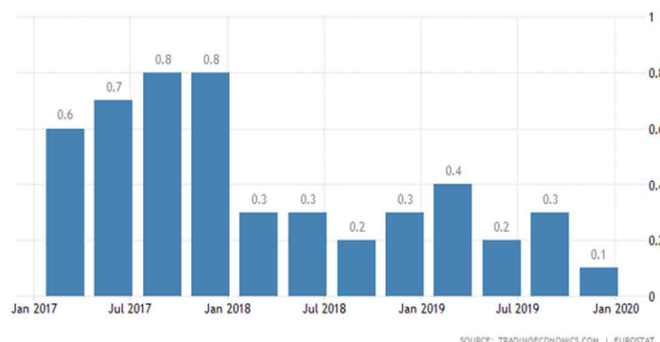
## EU OVERALL ECONOMY REVIEW

### Growth to remain stable, driven by domestic demand

Latest reports and EU statistics shows that European economy is set to continue on a path of steady, moderate growth. The euro area has now enjoyed its longest period of sustained growth since the euro was introduced in 1999.

On the other hand, Eurozone economy grew only 0,1 percent in the fourth quarter of 2019 which was the weakest pace of growth since a 0,4 percent contraction in the first quarter of 2013. Among the bloc's largest economies, German GDP stalled, while France and Italy contracted 0,1 and 0,4 percent respectively. Spain's economy expanded 0,5 percent.

Read more on: [www.weforum.org](http://www.weforum.org)



## MARKET TRENDS

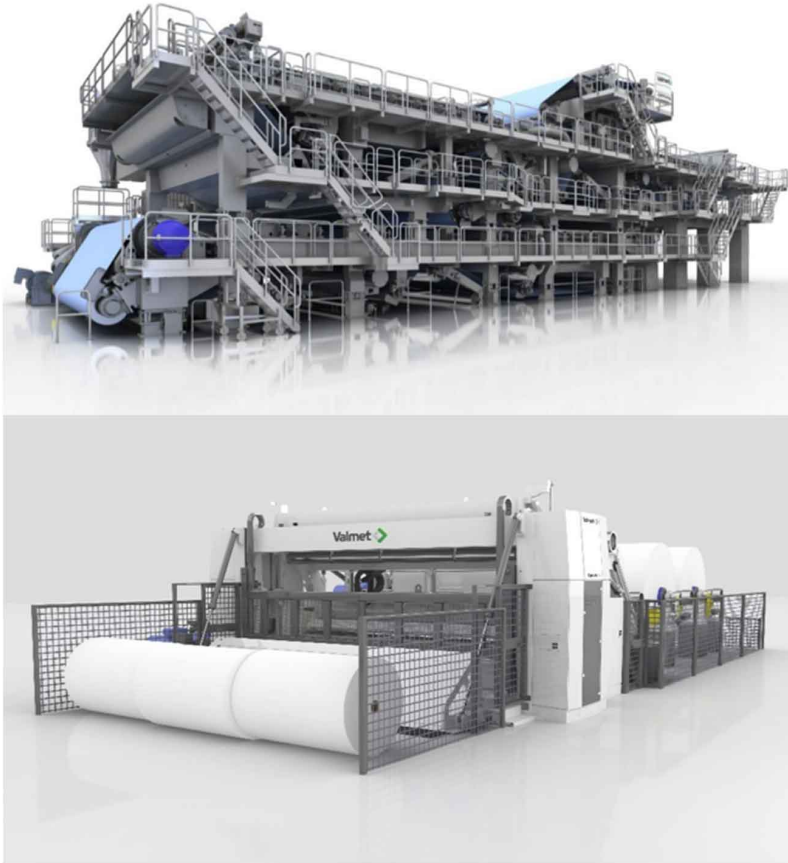
### Making the switch from plastic to paper?

The fight against overuse of plastic has been going on for several decades, but mostly at the level of environmental discussions, warnings and even occasional protests. The goals are justified, because plastics make up the majority of waste that is deposited in nature. Plastics remain in nature for a very long degradation period from 400 to 1,000 years. In Serbia, by the decision of the Belgrade City Assembly, starting from beginning of 2020, instead of plastic bags, retailers are obligated to offer consumers: plastic bags that are biodegradable, paper bags or shopping cotton bags. The results are yet to be seen, and expectations are high.

### Coronavirus challenge

Despite China's insistence that the rate of new infections is stabilizing, the economic damage is most apparent inside China. Sectors like auto industry, are persistently dealing with worker absences and supply chain shortages and most car dealers remain closed. Other sectors, including mining, travel, construction, retail, so as the country's paper industry are also affected. Protective measures taken to cut down virus spreading are pulling demand for some paper and board products, but on the other hand mills are struggling to restart operations.

# New investment cycle 2020-2024



In the upcoming four years, Umka cardboard mill, plans to invest around 40 million euros in modernisation and improvement of the existing production technology, as well as in a system for biological water treatment. The aim of this investment cycle is to further develop production capacity, while preserving the eco system in its environment.

With the realization of the investments Umka will produce grammages in the range of 160-450 g /m<sup>2</sup>, while the speed of the machine will be increased up to 600 m/min.

The main partner and supplier is a Finnish company Valmet.

Valmet is the leading global developer and supplier of process technologies, automation and services for the pulp, paper and energy industries.

Read more on our official website:  
<https://www.umka.rs/en/latest-news/>

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## New products in portfolio – Umka Color 380 and Umka Pak 380

In line with our announcements from Q4 in 2019, Umka introduced grammage 380 in UMKA COLOR and UMKA PAK portfolio. It took several production iterations for our engineers to set final technical specification and description for UMKA COLOR, and right now we are working on final technical specification and standards for UMKA PAK. As a result, and as an intention to meet our customers needs, Umka cardboard mill, once more showed its ability to adapt and adjust to current market needs and wants. Updated technical specifications for UMKA COLOR you can find on our official web site: <https://www.umka.rs/en/umka-color-gd2/> or you can ask for it from our official sales representatives.



## INTERESTING STORIES



Last year Umka's products were sold in 32 countries in Europe, Asia and North America. 130.515 tons of our cardboard was delivered to 244 customers respectfully. Taking into account unpredictable costs of raw materials, energy, fuel and gas costs, changing labour market, we can proudly say that 2019, jubilee 80th year of existence and business, was successful.

Thank you for your trust and cooperation.

## If you have questions or inquires please write to us

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With respect,  
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