

Russian and Chinese firms ink deals in various sectors

REUTERS, Beijing

Chinese and Russian companies attending a regional conference in northeastern China signed a raft of cooperation deals on Monday in sectors ranging from manufacturing and logistics to e-commerce and agriculture, Chinese state media reported.

The conference in Shenyang, the capital of Liaoning province, followed last week's meeting in Beijing between Russian President Vladimir Putin and China's President Xi Jinping. Russian local government officials, business representatives as well as nearly 800 Chinese companies hoping to enter the Russian market were attending the conference.

China has urged increased cross-border connectivity with Russia and deeper economic cooperation despite disapproval from the West after Russian forces invaded Ukraine last year,

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with northeast China - comprising the provinces of Liaoning, Heilongjiang and Jilin - gaining new strategic significance as a zone of bilateral trade and commerce.

In January to September, 40 Russian firms set up businesses in Liaoning, China's national broadcaster reported on Monday.

Liaoning's outbound shipments to Russia soared 82.3 percent in the first nine months from a year earlier to 42.64 billion yuan (\$5.83 billion).

In March, a new cargo hub for China-Europe freight trains was put into operation in Shenyang, with a train carrying 55 containers departing for Russia to mark the hub's inauguration.

In May, Chinese customs said the landlocked province of Jilin would be able to use Vladivostok, the biggest port in the Russian Far East, to ship goods to Zhoushan and Jiaxing in the eastern Chinese province of Zhejiang from June, cutting costs and transportation time for Jilin cargo bound for eastern China.



HEAVY-DUTY TRUCKS: KEY POINTS

Sales fell 34% in July-September compared to last year	Monthly sales came down to 208 units per month from 317	Tata, Ashok Leyland, and Eicher hold around 90% market share	Sales dropped due to sluggish economic activities
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Sales of heavy-duty trucks fall by a third

JAGARAN CHAKMA

Sales of heavy-duty commercial trucks in Bangladesh fell nearly 34 percent year-on-year in the January-September period this year due to shrinking economic activities and higher prices stemming from the devaluation of the local currency against the US dollar.

According to data from the Bangladesh Road Transport Authority, only 208 heavy-duty trucks were registered per month between January and September this year. That figure stood at 317 units per month in the same period last year.

Abdul Matlub Ahmad, chairman of Nitol Niloy Group, the local distributor of vehicles made by Indian automobile giant Tata, said the price hike of US dollars led to an increase in prices of heavy-duty trucks. That, alongside the shrinking economy, caused sales to decline.

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He said there was no way to deny that economic activities had declined by at least one-third. For this reason, import and export activities slowed and the impact of that was felt in heavy-duty truck sales.

However, he said there was potential for small commercial vehicles in the future, particularly after the general election.

Regarding the market share of the big dealers, he said Tata, Ashok Leyland, and Eicher each occupied 30 percent of the total market while the rest of the companies held only 10 percent.

The price of diesel also increased and currently stands

at Tk 108 per litre, up more than 36 percent from Tk 80 per litre in August last year.

Truck operators do not get sufficient trips or orders to meet the rising cost of operations. So, heavy-duty truck sales fell, he noted.

He added that they had reduced the import of heavy-duty trucks due to the prevailing situation.

Against this backdrop, Runner Motors Ltd recently launched the Eicher Pro 2000 and 6000 series at the International Convention Centre Bashundhara.

Hafizur Rahman Khan, chairman of Runner Group, and

Shantanu Srivastava, regional head of Volvo Eicher Commercial Vehicle for Bangladesh, South Asia and ASEAN countries, inaugurated the ceremony.

"We strongly believe that this transport will revolutionise the country's automobile and communication system and make a significant contribution to the country's economy," Khan said.

The Runner Group chairman added: "Today is a day of great joy. We have started the journey of these two series of vehicles in the transport sector, which will contribute greatly to the economy of the country along with improving the transport and communication sector."

He also believed the market would revive in the future, adding that sales faced ups and downs based on the economic reality but it was not permanent; just a part of business.

Rahman also asked to keep in mind that businesses do not move linearly.

Subrata Ranjan Das, executive director of ACI Motors Limited, the sole distributor of Foton vehicles, said: "Despite the overall market being dull, we have seen six percent growth in the last quarter as we introduced some new models."

He added that their growth remained steady since they were yet to acquire a significant share of the market for heavy-duty trucks.

Beacon Pharma's profit dips 45%

STAR BUSINESS REPORT

Beacon Pharmaceuticals PLC posted a 45 percent year-on-year decline in profit to around Tk 51 crore in the last financial year, suffered by increased cost of raw materials and inconsistent supply of gas.

The drug maker recorded Tk 93.5 crore in profit in the financial year 2021-22.

"We have had higher net sales in the last year. But our profit dropped as our import cost soared for the increased cost of US dollar in face of depreciation of taka," said Khalilur Rahman, company secretary of Beacon Pharmaceuticals.

"We also had to run diesel-run generators for the plant because of inconsistent supply of gas. All these factors drove up our costs," he added.

Beacon, which makes more than 200 generic drugs and 65 oncology products, recorded Tk 850 crore in net revenue in the financial year ending in June 2023. Its year-on-year revenue grew 6 percent, according to Rahman.

Beacon is yet another drug maker that announced falling earnings in the financial year 2022-23.

Beximco Pharmaceuticals early this week reported a nearly 10 percent fall in profit while earnings of another drug maker, Renata Ltd, slumped by more than half.

Only Square Pharmaceuticals, the biggest company in the sector, said its profit grew.

Beacon said its earnings per share plunged to Tk 2.21 in 2022-23 from Tk 4.05 the previous year.

The board of Beacon recommended 16 percent cash dividend for the year that ended on June 30, according to a filing on the Dhaka Stock Exchange (DSE).

Shares of the drug maker yesterday closed unchanged at Tk 245 on the DSE.

Crown Cement returns to profit

STAR BUSINESS REPORT

Crown Cement PLC made a profit of Tk 61.03 crore in the financial year that ended on June 30.

The cement manufacturer incurred a loss of Tk 22.87 crore in the previous financial year of 2021-22.

Thus, its earnings per share (EPS) surged to Tk 4.11 in 2022-23 from a negative EPS of Tk 1.54 in FY22, according to the financial statements.

The EPS increased thanks to sales growth and sales price increase, said Crown Cement in a filing on the Dhaka Stock Exchange.

The net asset value per share improved to Tk 52.22 in FY23 from Tk 49.18 in FY22.

The net operating cash flow per share dropped to Tk 11.43 from Tk 21.83 a year earlier due to an increase in supplier's payments and higher value of inventory resulting from the exchange rate fluctuation and increase in receivables.

The board of Crown Cement announced a 20 percent cash dividend for FY23. Its shares closed unchanged at Tk 74.40 on the DSE yesterday.

Oil price slips

REUTERS, London

Oil prices slipped on Monday as investors continued to focus on the situation in the Middle East, where diplomatic efforts are intensifying in an attempt to contain the conflict between Israel and Hamas.

Brent crude futures fell 24 cents, or 0.26 percent, to \$91.92 a barrel, as of 0837 GMT. US West Texas Intermediate crude futures were down 36 cents, or 0.41 percent, at \$87.72 a barrel.

Both benchmarks traded over \$1 a barrel lower than their previous settlement price at their nadir in Monday's session.

The contracts rose by more than 1 percent last week for a second consecutive week, on fears of potential supply disruption if the Israel-Hamas war grows into a wider conflict in the Middle East, the world's biggest oil-supplying region.

ECB set to hold rates

AFP, Berlin

For the first time in over a year, European Central Bank policymakers are expected to decide against raising interest rates again when they gather in Athens on Thursday.

Once red-hot, inflation, driven by Russia's invasion of Ukraine in early 2022, has started to ease, while the outlook for the economy has worsened.

Consumer prices in the 20-nation currency bloc rose at an annual rate of 4.3 percent in September, its lowest rate in almost two years.

The figure remains clearly above the ECB's two-percent target, but the pain of rising interest rates has been increasingly felt across the bloc.

The outbreak of the Israel-Gaza war has added to the potential troubles faced by the eurozone economy, already weathering the impact of the conflict in Ukraine.

The central bank, which holds one meeting outside its Frankfurt headquarters every year, looks set to follow in the footsteps of the US Federal Reserve and pause interest rate hikes for the time being.

All indications since the last meeting in September were that the ECB's current tightening cycle was "over", said Jack Allen-Reynolds of Capital Economics.

Currently, the ECB's key deposit rate sits at four percent, its highest mark in the history of the central bank.

But after deciding to hike at each of its last 10 meetings, raising rates at their fastest pace ever, "the ECB won't be in any rush to take further action", said ING bank analyst Carsten Brzeski.

The conflict in the Middle East would "further dampen

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People stand outside an Apple Store in Shanghai ahead of the launch of Apple's iPhone 15 on September 22.

PHOTO: REUTERS

Chinese retailers offer deep iPhone 15 discounts

REUTERS, Beijing

Chinese e-commerce platforms including JD.com, PDD Holdings' Pinduoduo and Alibaba's Taobao are offering big discounts on Apple's latest iPhone 15, with some going for up to 1,501 yuan (\$205.14) below the retail price.

Analysts say the iPhone 15 has not been selling as well in China as its predecessor. Counterpoint Research said last week that iPhone 15 sales in China were down 4.5 percent compared with the iPhone 14, in the first 17 days after its market launch.

In China, Apple occasionally allows partner vendors to offer discounts to spur demand. But Chinese e-commerce platforms have also been locked in a "value for money" battle as consumers tighten their belts in a slowing economy, with discounting a key focus of an upcoming annual Singles Day shopping festival.