

## India caps prices of medical oxygen amid rising COVID-19 cases

Reuters | New Delhi

India said yesterday it was capping the price of liquid oxygen used to treat victims of novel coronavirus and other respiratory diseases after complaints of hoarding and shortages, as total covid infections hit 5.9 million countrywide.

"Due to the absence of a price cap on liquid medical oxygen, manufacturers have hiked prices to fillers," the government said in a statement, referring to off-takers such as hospitals and clinics which use the oxygen.

To ensure that the oxygen is available at reasonable rates, the government has capped manufacturers' prices at 15.22 rupees per cubic metre (CUM), the statement said.

Prices of a cubic metre of medical oxygen delivered by cylinder to end-users has been fixed at 25.71 rupees, higher than the previous ceiling price of 17.49/CUM.

The new ceiling prices are applicable for six months and exclude taxes.

India's demand for medical oxygen has increased by almost four times to 2,800 tonnes a day, straining production and supply, the statement said.

# US imposes curbs on exports to China's SMIC

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● SMIC will now have to apply for individual export licenses

Reuters | Shanghai/Washington

The United States government has imposed restrictions on exports to China's biggest silicon chip maker after concluding there is an "unacceptable risk" that equipment supplied to it could be used for military purposes.

Suppliers of certain equipment to Semiconductor Manufacturing International Corporation (SMIC) will now have to apply for individual export licenses, according to a letter from the Commerce Department dated Friday and seen by Reuters. SMIC becomes the second leading Chinese technology company to face US trade curbs after telecoms giant Huawei Technologies, whose access to high-end chips has been curtailed by its addition to a so-called entity list.

The Pentagon said earlier this month that it was weigh-



A security officer stands outside a building of SMIC during its grand opening in Shanghai November 22, 2001.

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SMIC

ing blacklisting SMIC, which the US authorities have identified as a threat due to an alleged "fusion" of civilian and military technologies.

Asked for comment, SMIC said it had not received any official notice of the restrictions

and said it has no ties with the Chinese military.

"SMIC reiterates that it manufactures semiconductors and provides services solely for civilian and commercial end-users and end-uses," SMIC said.

"The Company has no relationship with the Chinese military and does not manufacture for any military end-users or end-uses."

The Commerce Department declined on Saturday to comment specifically on SMIC, but said its Bureau of Industry and Security was "constantly monitoring and assessing any potential threats to US national security and foreign policy interests".

## Russia sees oil output rising after OPEC+ deal expires in 2022

Reuters | Moscow

Russia expects its oil production to increase after the current OPEC+ deal on output curbs runs its course in April 2022, data from the economy ministry published on Saturday showed.

Russia, which the ministry expects to produce 507.4 million tonnes of oil this year, is seen increasing its production over the next three years to 560 million tonnes, or 11.2 m barrels per day, in 2023.

Ministry data forecasts an increase in oil exports to 266.2 m tonnes by 2023, slightly low-



An employee holds a sample of crude oil at the Yarakta oilfield, owned by Irkutsk Oil Co, in the Irkutsk region, Russia

er than last year's exports.

The ministry forecast oil exports of 225 m tonnes this year, down from 269.2 m tonnes in 2019.

## Japan's ANA mulls 200 billion yen share offer: Nikkei

Reuters | Tokyo

Japan's biggest airline ANA Holdings is considering issuing 200 billion yen (\$1.9 bn) in shares to bolster its finances as the downturn in air travel drags on, the Nikkei newspaper reported.

"We do not comment on speculative information. The story is factually wrong," ANA said in an email.

Like other airlines, ANA has had to slash flights as countries imposed travel restrictions to halt the spread of the coronavirus. So far the carrier has relied on loans from its banks and government financial aid to cope with the slump.

In the three months to June 30, ANA posted a loss of 159 bn yen and said it did not expect a full recovery in demand for international flights until at least 2023.

With a full year loss likely to be around 600 bn yen ANA will need additional funds to ensure it has enough capital for its operations, the Nikkei reported. The company may opt for a share offer because banks, with which it is negotiating to borrow an additional 400 bn yen, may be more reluctant to lend to it in the future, while a recent gain in stock prices in Tokyo has made a share offering more attractive, the newspaper said.



## Beijing autoshow: China's back, EVs booming, outlook uncertain

Reuters | Beijing

China's auto market has rebounded smartly from the COVID-19 crash in recent months, executives said yesterday, as a rare in-person trade show was dominated by talk of recovery in the world's biggest car market.

While conditions have improved vastly from lockdowns that froze economic activity in the country where the pandemic erupted, the Beijing autoshow is a far cry from the usual ebullience as fewer attend, new models are scant and prospects remain uncertain.

Doubts remain over the durability of the recovery, but the focus for now is on bright spots such as strong demand for mid-sized to large luxury vehicles and a flood of interest - and investment - in electric vehicles.

"The recovery in the Chinese market has been very remarkable, and our key segments have



People wearing face masks following the coronavirus disease (COVID-19) outbreak at the venue of the Beijing International Automotive Exhibition, or Auto China show, in Beijing



returned to the previous year's level if not slightly better," Nissan Motor Co CEO Makoto Uchida told a news conference via a video link from Japan.

"I expect this rebound to continue, but we need to watch for signs of trouble," said Uchida, who announced Japan's second-

biggest carmaker would launch a number of new vehicles in China over the next five years as it struggles to return to profit.

China's auto sales rose 11.6% in August from a year earlier, the fifth straight monthly rise after plunging during the lockdown.

When almost all residents were told to stay home in February, sales collapsed by a record 79% to their lowest since 2005.

Executives at Germany's BMW and Guangzhou-based GAC, which has partnerships with Toyota Motor Corp and Honda Motor Co, forecast full-

year sales growth in China, while Chongqing Changan Automobile predicted the same for its local joint venture with Ford Motor Co.

Great Wall Motor Co, China's top pickup truck maker, aims to boost overseas sales this year, helping to ease an overall drop

caused by COVID-19.

Germany's Audi AG is in talks with long-term partner China FAW Group Corp [SASACJ.U] about creating a second joint venture to build electric cars on its PPE platform in China, Germany's Automobilwoche reported.

### Limited upside

China's typically busy car-buying season, "Golden September, Silver October", is off to a good start, according to preliminary data, with passenger car sales up 12pc in the first 20 days of September.

The rebound means this year's sales will fall less than

10pc, the China Association of Automobile Manufacturers estimates, better than its May forecast of a 15pc to 25pc decline.

Much of the upturn is driven by sales of larger passenger cars by makers such as Daimler AG and BMW, boosted by new models, automakers' discounts and a broader recovery in the world's second-largest economy.

Premium vehicles accounted for a record 15% of the Chinese market in August, up from around 10% for all of last year, the China Passenger Car Association said.

Electric vehicles are also providing buzz to the Beijing show, as a boom in Tesla shares has propelled interest in China.

EV startups such as Nio,

Xpeng, Li Auto and WM Motor have together raised more than \$8 billion this year.

But the recent improvement reflects Chinese carmakers making earlier model launches as they could not wait for the usual hype from the delayed autoshow before going to market. That suggests a more limited upside to the current sales rise.

"This year's auto sales are very different from previous years," said LMC Automotive senior analyst Alan Kang. "Many cars were sold during summer because customers delayed purchases after the lockdown."

Sales of larger sedans and sport-utility vehicles have returned to last year's levels, but competition among mass-mar-

ket brands is intensifying, said Yale Zhang, head of Shanghai-based consultancy AutoForesight. That's a key battle ground for international and domestic brands including Volkswagen, Toyota, and Geely.

"Sales performance in these two months will give us a clue of what will happen next," said Zhang.