

Russia, Ukraine step into market economy

Prices up, but shelves empty

MOSCOW, Jan 2: Wary shoppers in Russia and Ukraine took their painful first steps into a market economy Thursday, finding higher prices but the same old empty shelves, reports AP.

prices according to supply and demand for the first time after 74 years of Communist rule. Russian President Boris Yeltsin and his economists insist freed prices and privatization are necessary to boost production and prevent economic collapse.

were unable to conclude any agreement on economic cooperation. The republics 'agreed on the general principles of economic reform,' said Russian President Boris Yeltsin, adding that the contents of the reforms 'must be decided by each republic'.

services as well as the agriculture, food and textile industries. A three-page table lays down, region by region, the percentage of privatizations which it is 'obligatory' to achieve by year's end.

UAE signs for 14 Boeing 777s at 2b dollar

DUBAI, Jan 2: United Arab Emirates (UAE), in its biggest ever aircraft order, has signed a letter of intent for purchase of 14 Boeing 777 air craft worth two billion dollar while forecasting for itself a record increase in profit this year, reports Wam.

Bush pledges open trade

CANBERRA, Jan 2: President George Bush assured Australians today that the United States would maintain open trade with the Pacific region but he rejected farmers' pleas for an end to US agricultural subsidies, reports Reuter.

ment to protest against Bush's stand. Bush is a thug, said one sign carried by the demonstrators. The farmers most wearing traditional akubra felt hats, marched peacefully and the big security contingent for the president's visit did not intervene.

Federation, a bitter opponent of the EEP. Blight said Bush's 12-day tour of Australia, Singapore, South Korea and Japan in which he is seeking more open markets to create jobs was inconsistent with US policy.

Japan helping US recession: Bush

CANBERRA, Jan 2: President Bush said Thursday the big trade imbalance with Japan is a contributing factor in the lack of economic growth in the United States, reports AP.

Robert Mosbacher, who indicated last Sunday that Japan was at least partly to blame for the lingering US recession. Bush, who goes to Japan next week after visiting Singapore and South Korea, said, 'Anytime you have an extraordinarily big trade imbalance, I think that you would say that would be contributing to a lack of economic growth.'

in Japan... he said. 'We need more access to their markets. We need to have more content in autos that are made in the United States.'

ers to take more seriously and compassionately the US situation, symbolized by General Motors' shutdowns,' Miyazawa said in a New Year news conference, taped Saturday and televised Wednesday.

Malaysia's trade gap up 20 fold

KUALA LUMPUR, Jan 2: Malaysia's trade deficit increased nearly 20 fold to 6.55 billion Malaysian dollar (2.4 billion US) during the first 10 months of 1991, the Statistics Department said Wednesday, reports AFP.

US bonds prospect better

NEW YORK, Jan 2: Few near-term bears are visible in the US treasury bond market, which is expected to get another lift from weak economic data when the market reopens on Thursday, economists said, reports Reuter.

7.75 per cent yield is not out of the question... (but) it would be a buying opportunity,' he said. Meanwhile, bulls seem firmly entrenched. The long bond's target in January is a 7-3/8 per cent yield, Palash said, partly as the NAPM should track the Chicago land business barometer for December, which fell to an adjusted 47.9 from 52.7.

terest-rate sensitive. And consumers may be more willing buyers in 1992. 'We're expecting consumer confidence to pick up a bit,' Chan said. The conference board's December survey showed consumer expectations rose to 72.8 from 69.7 in November.

Mongolia vows use of own resources

BEIJING, Jan 2: Mongolian Prime Minister Dash Bamsasuren has appealed to his country to learn to live without the former Soviet Union and to overcome its gravest economic crisis in decades, reports AFP.

Bush said protectionist measures are not the answer to sluggish economies in the United States, Australia or elsewhere. 'We're enjoying sluggish times, and not enjoying them very much, and the prime minister has impressed on me that Australia is having difficult economic times. And the answer to all of this, whether it's Japan, US or Australia-US, is to get these economies going through expanded trade, said Bush.

Japan's leading economic newspaper said the government's Japan Development Bank would lend 550 million yen (4.4 million dollar) to General Motors Co's Japan subsidiary at favourable interest rates to build a technical centre in Japan. The Nihon Keizai Shimbun said the bank believed the centre's work on parts design would help promote sales of US auto parts in this country.

At the senior officials meeting Wednesday, Koichiro Matsuura, director general of the Foreign Ministry's North American Bureau, told Miyazawa that 'there is still a big gap in views between the United States and Japan on auto issues,' NHK — the Japan Broadcasting Corp — reported.

Cooperative jute project for West Bengal okayed

CALCUTTA, Jan 2: The union textile ministry has okayed a jute pilot project for West Bengal with the objective of encouraging jute farming, marketing and evolving high-yielding varieties of the fibre on a cooperative basis, the State Cooperation Minister, Saral Deb, said here on Wednesday, reports PTI.

The department attributed the worsening trade balance to imports growing at 30.7 per cent compared to a 21.2 per cent growth in exports during the 10-month period. Imports, mainly of machinery and transport equipment, totalled 84.126 billion dollar (31.15 billion US) while exports reaped 77.57 billion dollar (28.7 billion US) from January to October 1991.

In November, the NAPM index registered 50.1 per cent. Bonds are also expected to get support from claims data, even with Christmas and New Year holidays curbing fillings. Susan Hering, economist at Salomon Bros Inc, sees initial jobless claims rising by a modest 5,000 to 10,000. Still, that is above the consensus forecast for about a one thousand drop in claims to 472,000, according to a Reuter survey.

Federal funds are expected to pen Thursday between 4-1/4 and 4-1/2 per cent. Late Tuesday, they were at four per cent. The bond market expects little news about President Bush's plans for fiscal stimulus until his January 10 return from a trip to Asia, economists said. Congress is not in session.

'They should make better cars'

TOKYO, Jan 2: Stopped in the New Year holiday shopping rush in the bustling Ginza district, Toshiyuki Joku was not eager to talk about President Bush's upcoming visit to Japan, reports AP.

cars are selling here. 'There are cars here that Prime Minister Kiichi Miyazawa, whose popular support is plunging, may make promises to Bush that he will not be able to carry out. There is strong opposition in the Japanese bureaucracy and business world to the major trade concessions that the United States is seeking.

deeply rooted assumption among some Japanese that a superpower should be able to take care of itself. A few people pointed out that standing by the United States has meant tax increases for the Japanese. The government levied a new tax to help pay Japan's 13 billion dollar contribution to the US-led alliance in the Gulf War. The tax is to continue next year, and debate has become over a plan to levy new taxes to pay for Japan's future international obligations.

Kuwait central bank to absorb risky credits

KUWAIT CITY, Jan 2: The Kuwait central bank will be authorised to absorb five billion dinars (17 billion dollars) worth of risky credit held by 11 commercial banks and local investment companies, according to a draft law published Wednesday, reports AFP.

Countdown to single European market begins

BRUSSELS, Jan 2: The final countdown to a barrier-free Europe has begun, reports AP. But it won't end in a completely open market of goods, services and money flowing freely across the borders of a dozen countries by the Dec 31 deadline.

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Business Briefs

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CATANIA (Italy): Mount Etna on eruption Dec 31. Army was called out to erect barriers against the flow. — AFP photo