UKRAINE CALLS OFF TAX POLICE, SEeks FOREIGN INVESTMENT

KIEV: Ukrainian President Petro Poroshenko asked the government on Thursday to stop his tax police from conducting unannounced checks on companies’ operations. The measure is also supposed to let small businesses thrive by letting them stay open without any inspections for three years.

The former Soviet republic is keen to shed the label of Europe’s most graft-ridden state that was stamped on it by the European Court on Auditors last month. Ukraine’s tax police and other inspection authorities are notorious for accepting bribes as a reward for letting companies stay in business after committing major or even made-up violations.

An improvement in the cash-strapped and war-torn country’s business climate has been a constant demand wrapped into a $17.5 billion (16.6-bilion euro) economic package approved by the International Monetary Fund last year. Poroshenko has vowed to fight corruption by cracking down on the power wielded by a handful of oligarchs and opening up officials’ incomes for viewing to all Ukrainians curious about their elected leaders’ possibly ill-gotten gains.

Controlling authorities

The second measure is already in effect while the battle to reign in the billionaires is taking more time. The law adopted yesterday moves one step further by putting tough curbs on the powers of the tax police. “This will substantially reduce the number of inspections by the controlling authorities,” the pro-Western leader said in a statement. “We are going to see a qualitative change in the investment and tax climate.”

The world bank ranks Ukraine 80th on its 2016 Ease of Doing Business index. That is 40 spots worse than its arch-rival Russia—a country where the Kremlin dominates business and the courts are viewed as bought-off and only one grade better than its 2015 ranking. Ukraine fared especially poorly in categories such as taxation and handling out construction and business permits.

Poroshenko said the tax authorities will no longer be investigative but rather “consultative” in nature. That means companies will be able to turn to them with questions but no longer have to open up their books during spot inspections. Economists have said that such sudden checks have long been used by businessmen to close the operations of a rival on a technicality.

The tax police have also been reported to conduct raids on companies that fall out of favor with a particular tycoon or politician with business ties. The law says that unannounced tax inspections may resume anew at the start of 2018. — AFP

GOLD TO SNAP LOSING STREAK

LONDON: Gold hit a two-week high yesterday on a weaker dollar and was set to close 2016 more than 9 percent higher, snapping three years of declines. Spot gold was up 0.1 percent at $1,158.86 an ounce by 1159 GMT, having hit its highest since Dec. 14 at $1,163.14. US gold futures rose $2.60 to $1,160.70 an ounce.

In the first half of 2016, investors increased gold exposure as the Federal Reserve showed caution on raising interest rates due to concerns about global growth. While gold’s vote to leave the European Union curbed appetite for risk and pushed the metal to a two-year high in July. But gold prices fell more than 8 percent in November, on higher US Treasury yields after Donald Trump’s election win led to speculation his commitment to curbing appetite for risk and was set to close 2016 more than 9 percent higher, snapping three years of declines. Spot gold was up 0.1 percent at

PAY INCREASE FOR MILLIONS AS 19 US STATES RAISE MINIMUM WAGE

‘THIS WILL MAKE A DIFFERENCE FOR SO MANY PEOPLE’

ALBANY: It will be a happy New Year indeed for millions of the lowest-paid US workers. Nineteen states, including New York and California, will ring in the year with an increase in the minimum wage. Massachusetts and Washington state will have the highest new minimum wages in the country, at $11 per hour.

California will raise its wage to $10.50 for businesses with 26 or more employees. New York state is taking a regional approach, with the wage rising to $11 in New York City to $10.50 for small businesses in the city, $10 in its downtown suburbs and $9.70 elsewhere. Some specific businesses—fast-food restaurants and the smallest New York City businesses—will have slightly different wage requirements.

“This is a $1.00 increase, I cannot even comprehend or tell you how important this will be,” said Alvin Major, a New York City fast-food worker. “The one-year-old father of four helped lead the fight for the increase in his state, one of several successful efforts by fast-food workers and other low wage workers around the country. “The price of food has gone up. Rent has gone up. Everything has gone up. This will make a difference for so many people.”

Making ends meet

Voters in Arizona, Maine, Colorado and Washington approved increases in this year’s election. Seven other states, Alaska, Florida, Missouri, Montana, New Jersey, Ohio and South Dakota, are automatically raising the wage based on indexing. The other states seeing increases are Arkansas, Connecticut, Hawaii, Michigan and Vermont. Additional increases are slated for later in the year in Oregon, Washington, DC, and Maryland.

In Arizona, the state Chamber of Commerce and Industry filed a lawsuit challenging the increase, which will raise the minimum wage from $8.05 to $10. On Thursday, the Arizona Supreme Court refused to temporarily block the raise. Workers and labor advocates argue the increases will help low-wage workers now barely making ends meet and boost the economy by giving some consumers more money to spend. But many business owners opposed the higher wages, saying they would lead to higher prices and greater automation.

Some restaurant owners may consider reducing portion sizes or charging for side dishes that were once included in the price of a meal to absorb the increase, according to Melissa Fleischut, president of the New York State Restaurant Association. "I'm sure prices will go up where they can, but restaurants want to avoid sticker shock," she said. "They're going to have to get creative." The adjustments in New York, California and several other states are part of a series of gradual increases to a $12 or $15 hourly wage.

The minimum wage will also go up this weekend in 22 cities and counties, including San Diego, San Jose and Seattle. The high number of states and localities raising the wage this year reflects the successful work of fast-food workers and organized labor, according to Tsedevy Gebreelasie, senior staff attorney at the National Employment Law Project, as well as federal inaction on the wage. The national minimum was last raised, to $7.25, in 2009. "These aren’t only teens trying to make some pocket money," she said. "Increasingly it’s adults who are using this money to support their families." — AP