

Onion prices double in India, anger simmers

REUTERS, New Delhi

Onion prices in India have more than doubled in the past week due to a shortage caused by unusually heavy rain in growing areas, adding to the risk of voter anger about the high cost of food.

Discontent about food price inflation is another headache for a coalition government struggling with a slew of corruption allegations and an emboldened opposition.

The agriculture ministry on Monday banned exports of the staple food until Jan. 15, and will import onions from neighbouring Pakistan as prices jumped to 80 rupees (\$1.77) per kg from 35 rupees per kg last week, local media reported.

"The situation will be normal in two to three weeks. Onion prices rose because of rains in Nasik and other onion growing areas," Agriculture Minister Sharad Pawar told reporters on Tuesday. "The ban on onion exports should help reduce the prices."

Onions are base ingredients for almost all Indian dishes. Soaring onion prices have helped dislodge Indian state governments in the past, and rising food costs often spark street protests.

Food price inflation has retreated over the past three months, but at a high 9.5 percent is a worry for the ruling Congress party ahead of state elections next year.

On Monday, Prime Minister Manmohan Singh told his party that inflation "remains a cause for serious concern in our country".

Officials were considering opening special outlets to sell onions at wholesale rates as the government looks for ways to lower prices, the Press Trust of India reported on Monday.



Indian traders check the quality of onions at the Agricultural Produce Market Committee in Ahmedabad yesterday. India suspended exports of onions, a key food staple.

Telenor blasts Vimpelcom-Weather deal

REUTERS, Oslo/Moscow

Vimpelcom's \$6.6 billion bid for telecoms assets owned by Weather Investments was hanging by a thread after Norwegian shareholder Telenor said on Monday it would not back the move.

Telenor's opposition to the deal -- which would see Vimpelcom taking control of Egypt's Orascom Telecom and all of Italy's Wind -- means all three independent Vimpelcom directors must back the long-troubled transaction.

The deal, which has been backed by the Kremlin, would make Russia's No.2 mobile phone operator the world's fifth-largest.

Analysts said the move undermines the long-term stability of Vimpelcom by once again pitting Telenor against its other major shareholder Altimo -- the telecoms arm of Russia's Alfa Group run by billionaire Mikhail Fridman.

The two owners fought protracted board and courtroom battles over strategy for years before a 2009 resolution.

Telenor spokesman Dag Melgaard said the deal did not make "strategic or financial sense" for shareholders.

"We are signaling our position, knowing there is no way that we can block the deal (without support)," he told Reuters.

Telenor has 36 percent of voting rights in Vimpelcom and three of the nine Vimpelcom board members. The deal needs six of nine votes, meaning three Altimo board members and three independents must back it to neutralise Telenor's opposition.

The acquisition also requires amendment of a shareholder agreement between Telenor and Alfa.

"I think the deal is dead," said First Securities analyst Ole Joergen Roed adding that co-operation between Vimpelcom's two main owners now looked unlikely.

"This is positive in the short term for Telenor by reducing the chances of the transaction going through, but in the long term it may create conflict among Vimpelcom shareholders."

Vimpelcom in October announced the proposed acquisition of Weather from Egyptian tycoon Naguib Sawiris, its first major attempt at international expansion since the 2009 deal which secured Alfa's and Telenor's reconciliation.

The acquisition has met a series of obstacles, most notably the Algerian government's plans to nationalize Orascom's most lucrative asset, Djazzy, despite a trip to Algiers by Russian President Dmitry Medvedev.

Altimo and Orascom declined to comment.

Amsterdam-headquartered Vimpelcom is due to hold a two-day meeting from Tuesday to vote on final approval of the deal.

Vimpelcom said its board "will consider the interests of all of the company's shareholders in reaching its decision."

Analysts said the rise in Vimpelcom/Telenor shares could be explained by market jitters surrounding the wisdom of the deal, which will see Vimpelcom saddled with some \$24 billion of debt.

The Vimpelcom deal would help Orascom pay back \$3 billion in debt over the next three years and was initially seen as a way to help it reach a deal with Algerian authorities over its top revenue earner Djazzy, which Algiers says owes it back tax.

Snowglobes: a century-old Viennese invention?

AFP, Vienna

Whether it's snowing or not, winter is never far away with a snowglobe in hand -- and it's a small Viennese firm that claims to have invented this trinket, supplying even Hollywood and the White House.

In 1900, Erwin Perzy, a local repairman for surgical instruments, decided to improve the lighting in operating rooms by using a glass ball filled with water and semolina, for added brightness.

The light was a non-starter, but the snowglobe was born -- "by pure accident", notes Perzy's grandson Erwin III, with a grin.

And 110 years on, the Perzy family still produces snowglobes in an unpretentious workshop in an outer district of Vienna.

Fifteen employees, and a small army of enthusiastic elves, churn out some 200,000 pieces every year, sold from Japan to the United States and the Middle East.

"Everyone plays with snowglobes, shakes them, peers into them and is fascinated by the snow, because it brings back childhood memories," Perzy told AFP.

Although a small family-run business, the Original Vienna Snowglobe factory has had some prestigious clients.

Former US president Ronald Reagan had a special snowglobe made of his California ranch and his favourite red Jeep.

Former president Bill Clinton has one with confetti from his inauguration and Perzy made another for President Barack Obama's youngest

daughter.

Arguably the most famous snowglobe in history, featured in Orson Welles's 1941 film "Citizen Kane" -- where it is dropped by the dying lead character in the notorious "Rosebud" scene -- is also a product of the Perzy factory.

In total, there are some 350 standard designs, not including special commissions, from Viennese sights and Santa Claus to Mickey Mouse, Buddha and a platter of donuts.

"The actual figure inside is beautiful and how the snow goes round, it's lovely. It just floats, you know," British tourist Jackie Cattell told AFP at a Vienna Christmas market after buying a few snowglobes.

Indeed, a snowglobe wouldn't be anything without its snow, and only Perzy knows the secret formula, which

he plans to pass on to his daughter when she takes over the business.

In other products, which use glitter or heavier flakes, "it doesn't snow right," he says proudly.

While the glass globes are purchased from suppliers, the plastic figurines and stands are designed and produced by the Perzys and their employees, painted and assembled by 30 to 60 helpers who work from home.

"We prefer to flourish in obscurity. We want to keep the company as small as it is now and make a good, exclusive product."

For Erwin Perzy III, the snowglobes -- like a forest in winter, when the snow gently drops from the trees -- represent "peace and tranquillity".

In other words, winter wonderland on sale: for six to 24 euros (eight to 32 dollars).

Philippines cites crackdown as budget deficit on target

AFP, Manila

The Philippines said Tuesday that Benigno Aquino's name-and-shame crackdown on tax cheats was bearing fruit and the extra revenues would help keep the budget deficit under control for the year.

Finance Secretary Cesar Purisima said the January-November deficit was 269.8 billion pesos (6.08 billion dollars) and would stay well below the full-year target of 325 billion pesos.

"On the revenue front, the (internal revenue and customs bureaus) continued to make headway in their respective campaigns against tax evaders and smugglers (with) double-digit increases in revenue collections last month," he said.

"We are confident that the succeeding months will bring in higher revenue collections as our crusade against tax evaders, smugglers and corrupt revenue officials gains traction," Purisima said in a statement.

Taxpayers are now increasingly convinced that it is not business as usual and they now have to pay appropriate levies, he added.

The finance ministry has been aggressively filing tax suits every week against high-profile individuals and companies in its bid to improve the government's wafer-thin revenue base.

The campaign is part of new President Aquino's reform agenda that won him a landslide in the May elections.

The internal revenue bureau says just five million Filipinos pay their income taxes, with an estimated 20 million-plus evaders.



Masaaki Shirakawa

Bank of Japan holds rate steady

AFP, Tokyo

Japan's central bank on Tuesday kept its key rate unchanged as it said it would continue measures to boost the faltering economy amid fears of a looming slowdown.

The board made a unanimous decision to keep the key rate at between zero and 0.1 percent after a two-day meeting, warning that a fragile recovery from deep recession was "pausing" despite showing "signs of a moderate recovery".

"The bank will continue to carefully examine the outlook for economic activity and prices, and take policy action in an appropriate manner," the BoJ said in a statement released together with the rate announcement.

The decision followed the BoJ's move in October to adopt a near zero rate policy and a five trillion yen (60 billion dollar) asset purchase scheme to lower borrowing costs and help tackle deflation.

The move added to a previous 30 trillion yen scheme to boost liquidity and spur growth.

The central bank has only just begun its programme of asset purchases announced in October, which includes government and corporate bonds and riskier exchange traded funds (ETFs) and real estate investment trusts (REITs).



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