

International Business News

Philippine carrier adds second dancing crew flight

AFP, Manila

Budget Philippine carrier Cebu Pacific on Friday flew a second regular flight with dancing cabin crew, using male stewards instead of female after criticism the original stunt was sexist.

The airline had created a YouTube sensation, as well as a storm of criticism earlier this week with an in-flight safety demonstration using pretty young female cabin attendants toe-tapping to a Lady Gaga tune.

Mother-of-two Carol Ignacio, a passenger on the morning flight to Davao city, whipped out a video camera as three male flight attendants pranced along the aisles to the new-wave group Men Without Hats' 1980s hit "Safety Dance".

"It was okay, they managed to stop me nodding off," Ignacio told AFP.

"I will show it to my kids," she added.

After the plane reached cruising altitude, the young male staff showed their dance moves while giving instructions about oxygen masks, lifejackets and how to find the exits.

The women crew's dance, filmed by a passenger earlier in the week, had more than seven million hits on YouTube by Friday.

Japan's Fast Retailing forecasts profit slide

AFP, Tokyo

The operator of Japan's cheap-chic clothing chain Uniqlo on Friday booked a higher annual net profit in the year to August but forecast it to slide 17 percent next year on weak demand at home.

Fast Retailing, with ambitions of becoming the top global clothing retailer, reported a net profit of 61.68 billion yen (752 billion dollars), up 24 percent from a year earlier.

However for the current year to August 2011, it estimated a 17 percent lower net profit of 51 billion yen and a 14 percent decline in operating profit to 113.5 billion yen.

"We expect that the apparel retail industry will see severer competition while environments surrounding consumption in domestic and overseas markets will remain difficult," it said.

Earlier this month the company said domestic same-store sales at its Uniqlo outlets fell 25 percent in September from the same month a year earlier -- its biggest fall in seven years, partly on the impact of unseasonal weather taming sales for its autumn collection.

For the year ended August, operating profit rose 22 percent to 132.38 billion yen on sales of 814.8 trillion yen, up 18.9 percent.



A Cebu Pacific flight attendant sells the company's merchandise aboard a flight between Manila and Davao City on Friday. Budget carrier Cebu Pacific said it hopes to raise up to 26.83 billion pesos (\$620 million) in what could be the Philippines' largest initial public offering this year.

Honda launches hybrid Fit to take on Toyota's Prius

AFP, Tokyo

Honda Motor on Friday launched a hybrid version of its popular Fit subcompact car in Japan, making it the cheapest petrol-electric car available in the nation.

The Fit Hybrid went on sale with a starting price of 1.59 million yen (19,000 dollars), cheaper than any other hybrid vehicle in Japan. The conventional Fit is priced at about 1.2 million yen.

Honda's Insight hybrid is also priced below the two-million mark, making it the second cheapest in Japan.

The Fit has been launched as a direct competitor to Toyota's Prius, which has been Japan's best selling vehicle since May 2009. The Prius sells for a minimum 2.05 million yen.

Prius sales fell 14.2 percent year-on-year in September, according to the Automobile Dealers Association as government subsidies to encourage the purchase of environmentally friendly vehicles expired.

GetJar out to make mobile phone applications free

AFP, San Francisco

The world's second largest online shop for mobile phone applications is out to change the economics of the booming industry by making the popular mini-programs available for free.

GetJar has teamed up with Glu to offer a set of the hot smartphone game maker's premium titles, typically sold for as much three to five dollars, free of charge worldwide.

GetJar will make one free Glu game available every two weeks during the course of two months that started October 5.

"What we are trying to introduce is going to change the whole economics of app stores," GetJar founder and chief executive Ilja Laurs told AFP.

"We are not talking about a one-time promotion but a long-term sustainable business model."

BANKING

Basel III in the offing

SAJJADUR RAHMAN

Basel III, the upgraded version of recommendations on global banking laws and regulations, is preparing to phase in over the next two years, although Bangladesh has just started implementing the previous version. The country will at first assess the impacts of the new rules.

The new set of rules aims to strengthen the global financial industry to make it resilient, and ward off the 2008-like global crisis.

Leading central bankers and national regulators who gathered in Swiss city of Basel last month said they were aiming to introduce proposals to strengthen international financial requirements on the banks by the end of 2012. The agreed reforms, which have been in the offing for several months, are part of a 'comprehensive response' to the financial crisis, the Basel Committee on Banking Supervision said in a statement.

The group of regulators and the Bank for International Settlements agreed that the banks would be required to lift their reserves substantially under the new rules, and increase key capital ratios. Most of the capital requirements are in relation to risk-weighted assets.

The Basel III reform would also be the cornerstone of the world's response to the financial crisis, and an endorsement by Basel's oversight body will pave the way for the G20 summit of leaders in November to give their seal of approval.

According to 27 top central bank governors, the new rules will go a long way in restoring the confidence lost during the latest financial meltdown.

Basel III has been debated, anticipated, and repudiated for months. Now that it has arrived, only the anticipation is over. The debating and disagreement continue.

Some say the move will certainly strengthen bank capital positions. However, there is a certain blithe assumption that raising capital requirements will result in an increase in bank capital. They say bank can raise capital ratios either by increasing capital or reducing activities.

However, the banking sector in Bangladesh has just started to implement Basel II-based capital regime from January 2010. And



Banks worldwide are awaiting updates on Basel III regulations, while Bangladesh is coping with the previous ones.

the banks are not thinking of Basel III at the moment. But, Bangladesh Bank (BB), the central bank of the country, said it is closely following the ongoing revisions of the financial sector regulations in global forums.

Atiur Rahman, the BB governor, hinted that the new capital and liquidity requirements and regulatory and supervisory recommendations would be phased in gradually in the country's financial sector.

But he said these would not be implemented without assessing the impacts of the new rules.

"Basel III will be phased in gradually only after due assessment of their likely impacts," Rahman said.

The basics of Basel III is that large internationally active banks will have to hold levels of common equity equal to at least 7 percent of their assets, much higher than the roughly 2 percent international standard or 4 percent standard for large US

banks.

Basel III also mentions, by 2015, the banks will have to begin building a 2.5 percent "buffer" of capital that must be fully in place by January 2019. If the banks fall below the buffer, regulators could force them to hold onto more of their earnings to augment their capital, which means the companies will have less money on hand to pay dividends or offer large compensation packages.

Local bankers also believe Basel III is stringent in terms of capital requirements. But they said Bangladesh is far away from implementing the new Basel rules.

Touhidul Alam Khan, executive vice president (corporate banking division) of Prime Bank, said the main feature of Basel III is that it increases the quality of tier I capital by eliminating some types of capital, such as contingent convertible bonds that used to be allowed in this category. The way

the banks determine how much capital reserve they need to set aside to recover from losses is the core concept of Basel III.

Tier I capital is composed of equity capital and retained earnings, while tier II is supplementary capital, and tier III is short-term subordinated debt covering market risks.

"As Bangladesh is in stage of implementing Basel II, we may think well ahead about tier I capital rule under Basel III, which ultimately will be fully effective from January 2015, with the capital conservation buffer phased in between January 2016 and January 2019," he said.

Khan, an expert on Basel II in Bangladesh, also said, before implementing Basel III, top banks here have to take steps to restructure their own internal risk rating models to determine the risk weightings for their assets.

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COLUMN

Our mothering colleagues

MAMUN RASHID

In the 1970s to 80s, teaching and nursing were the only largely female professions. Things have changed. Women are now also commonly lawyers, physicians, bankers, investment analysts, journalists, economists, doctors, psychologists, consultants, college/university professors, pilots, defence officials, IT professionals and scientists.

Women have dramatically increased their numbers in professional and technical occupations for several reasons -- greater educational and employment opportunities, the influence of the western mass media and the growth of individualism combined with economic hardship in families.

How do we see women in our society address concerns over how to bring balance between work and family life?

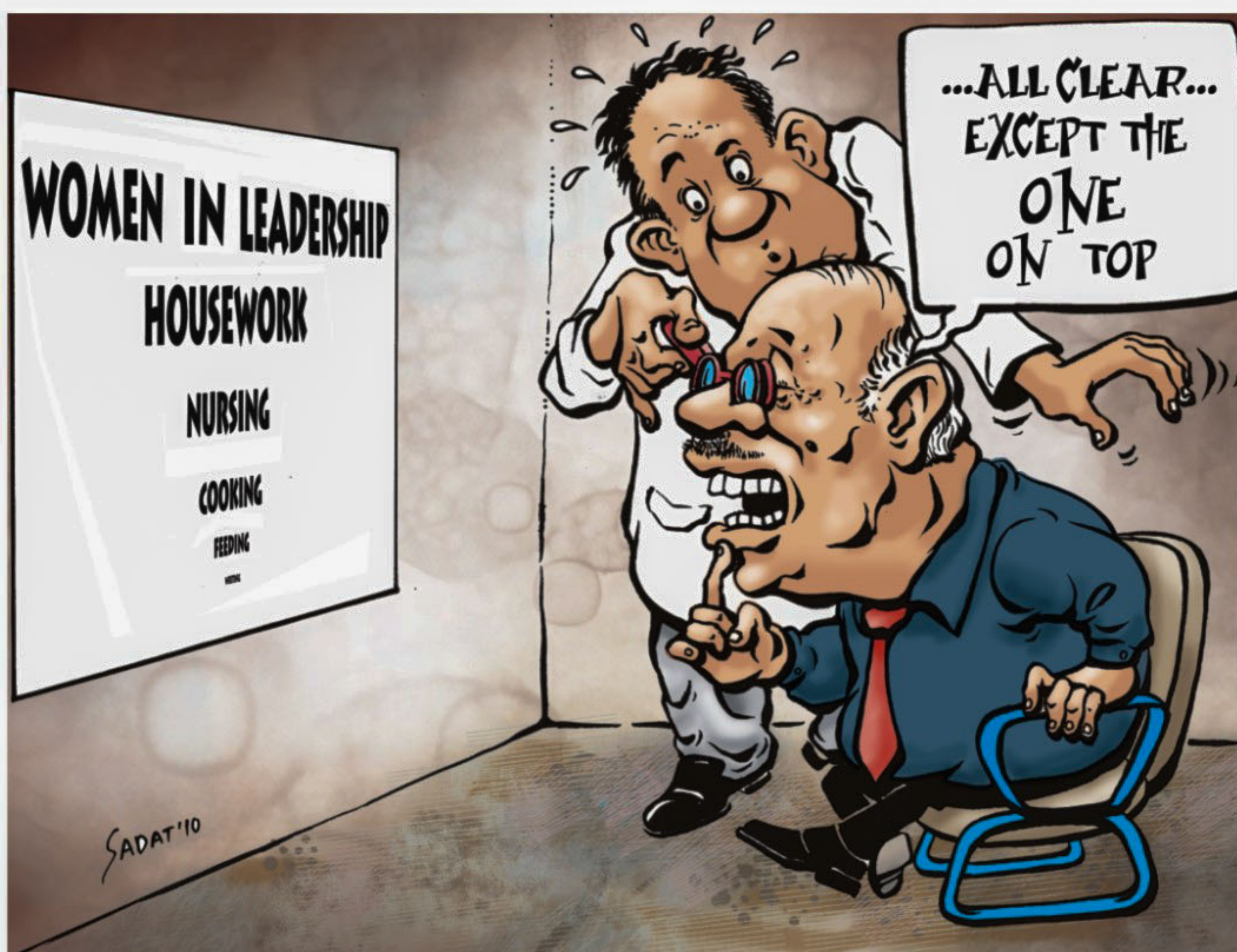
We are finding it increasingly tough to send our female colleagues home even at 9pm. They like their work and want to climb the career ladder like their male counterparts. And believe you me, they can do it. Many, if not all, do a fantastic job, with less gossip, more work and more attention to handling clients' needs than their male colleagues.

However, for many women, combining work and family in an ever-more-competitive business world means an inevitable rise in both stress and guilt. For most women, more time spent on the job means compromising time with family, creating a high level of stress and swallowing no small amount of guilt.

Under our inherited norms, married working women find themselves torn and tired, and worrying that they may be neglecting their children and home. Wives often enter work, marriage or parenthood with fixed role expectations of themselves and others, but later fail to fulfil those expectations. This brings about a conflict between what they expect and experience. Role conflict has many consequences.

Role conflict may also lead to substandard performance and a host of other behavioural outcomes. It is also negatively related to organisational commitment, job involvement, job satisfaction and participation in decision-making. In addition, family members make the situation more stressful.

It is very difficult for Bangladeshi women to constantly communicate with their spouses because they believe Bangladeshi



men are not or do not want to be aware of the growing changes in society. They also think we husbands have a hard time viewing home and family work as 'our work'. Such views supposedly threaten marital stability. That is why it is still rare for wives to have an equal role in domestic chores and decision-making.

For all the real progress women have made in education, their choice of career and pay, only a relatively small percentage ever makes it to the top. Women make up a significant percentage of the overall labour force, yet hold only an insignificant percentage of top earning positions and an extremely negligible percentage of power titles (if not for quota-filling).

A critical element in making it to the top is being in the pipeline to do so. But women in our country also have to believe they can

make it. Studies suggest, and my own experience confirms, that it is hard for women and for minorities to believe they can progress if they cannot look up and see faces like their own at the top. When highly educated women perceive a dearth of viable options and leave the workforce, the pipeline narrows further.

So how do some women balance their careers with their responsibilities as mothers and wives? It takes energy, patience, hard work and creativity. Even when a woman is given an opportunity to pursue a fabulous job in a country outside Bangladesh, she is more likely to think twice, to place family priorities above career priorities in making the decision.

On top of all the responsibilities, women often have to deal with how others judge her. There lies the dilemma of double stan-

dards: can a woman who works hard succeed both in her career and avoid being perceived as a negligent mother or wife?

No one looks at working husbands or fathers suspiciously when they travel frequently on business. Yet it is often the toughest decision for a working woman to do the same.

However, millions of women around the world somehow manage, often at the cost of their own personal time or with more modern husbands. We are seeing this happen in Bangladesh too.

Let us do a bit more for our female colleagues. I tell you, they can create wonders for you: a better workplace, mutual respect, and above all, building an environment of togetherness.

The writer is a banker and economic analyst.