Toiletries market brims with opportunities

Says Square Toiletries CEO in an interview with The Daily Star

SOHEL PARVEZ

Bangladesh's toiletries market is growing and there is a significant potential for further expansion as incomes rise alongside increasing awareness and lifestyle changes.

Per capita toiletries consumption in Bangladesh is $20, compared to $40 in India and $100 in Indonesia.

"So, you understand there's a huge opportunity in toiletries to catch up. It will be bigger," said Malik Mohammed Sayeed, chief executive officer of Square Toiletries Ltd, in an interview with The Daily Star.

Having worked at Square Toiletries for 23 years, Sayeed said that Bangladesh's fast-moving consumer goods (FMCG) market is worth Tk 50,000 crore annually, with toiletries and cosmetics accounting for around Tk 25,000 crore.

To capture this market, many companies are entering the sector. However, winning consumers requires patience, particularly in the cosmetics sector. Success depends on bringing the right products to market and maintaining consistent communication.

"Brand matters. So, you need to invest in brands, you need to invest in quality," he said. "It doesn't happen overnight."

A short-term, profit-driven approach will not work. Companies must be prepared to launch new products strategically.

Sayeed said innovation is vital and must occur across all aspects of the business. "I call it innovation in all formats. You need to keep improving product quality and packaging, and you also need to ensure product availability. That's very important."

Square has been implementing these strategies and has made its mark in the toiletries segment. As part of the local conglomerate Square Group, the company has captured a double-digit market share in the highly competitive soap market, increasing its share by 2 percent in a single year.

"If you have the right product, right pricing, right communication, and right placement, success follows," he added.

The company's presence in the hair care segment is also expanding. With the well-established Jui hair oil, Square has recently launched Maya, a natural wellness brand offering a range of scalp and hair oils made from natural ingredients.

Besides, Square is expanding its skincare lineup with moisturising cream, oil and acne control cream, face wash, fixed oils, and aloe vera gel to meet growing market demand.

Sayeed pointed out that three-quarters of Bangladesh's consumers live in rural areas, where remittances sent by Bangladeshi migrants abroad boost overall demand.

In 2024, the toiletries market recorded higher growth in rural areas, as much as 14 percent. Nationally, overall sales grew by 12-13 percent compared to the previous year.

Urban areas, which account for one-quarter of the total market, saw comparatively lower growth than rural areas.

"The purchasing power in rural areas is increasing. The cost of living is relatively lower there, which helps," he said.

"In urban areas, households have to account for expenses such as rent, transportation costs, and many more. This is an interesting dimension. We have observed this trend and, accordingly, have focused on rural markets as well."

Square Toiletries has benefited from the efforts of its passionate and dynamic team.

With inflation remaining above 9 percent for two years, the company adjusted employee benefits to prevent a decline in their purchasing power and living standards -- an approach that paid off.

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Malik Mohammed Sayeed
CEO of Square Toiletries

TAKEAWAYS FROM THE INTERVIEW

- Toiletries success depends on product, pricing and placement
- Three-quarters of consumers live in remittance-reliant rural areas
- Innovation and brand building ensure long-term market success
- Due to rising import costs, toiletries makers opt for local sourcing
- Square now expands into health and hygiene product lines
- Local brands thrive by matching international quality standards

Budget: Don't kill the golden goose

MAMUN RASHID

Despite being a humble banking professional, I am very lucky to have been engaged with the country's budgetary process since the early '90s. Many champions, including Saifur Rahman, Shah AMS Kibria, AB Mirza Azizul Islam, Akbar Ali Khan, Masihur Rahman and Khairuzzaman Chowdhury, valued my inputs and private sector insights.

I always believed, Bangladesh has come across a long way with regards to budgetary framework, allocation and implementation. But what is hindering efforts toward making a more inclusive and effective budget is last minute deviation from our aspiration to make the budget an innovative and business friendly one. With much frustration, it ends up as a haphazard exercise of reconciling the numbers only.

In a recent pre-budget discussion with the finance ministry, economists including myself stressed the need for designing the national budget for the upcoming fiscal year in a way that prioritises macroeconomic stability. We also emphasised the need for revising tax policies and tariff reforms in line with the World Trade Organization (WTO) regulations to aid in Bangladesh's preparation for graduating from the least developed country (LDC) list in November 2026.

Many said targeted interventions are required to address the economic challenges, and these should be incorporated into the upcoming budget to ensure fiscal prudence, maximising the use of our scarce resources. At the same time, as Bangladesh transitions into a developing economy, it must phase out direct export incentives to meet WTO standards and employ alternative WTO-compliant measures. Revision of agricultural trade policies, elimination of minimum import prices on certain goods, and adjustment of tariff structures to keep custom duties aligned with the bound tariff commitments that Bangladesh made under the WTO agreements are also necessary for maintaining compliance during post-LDC graduation. Ensuring WTO compliance is of utmost importance as Bangladesh is set to lose the perks and waivers that come with LDC status.

A few also suggested formulating strict legislation to prevent tax evasion, track wealthy tax dodgers, and increase revenue through direct taxation. Bangladesh for long had one of the lowest tax-GDP ratios in the world. It's high time this was corrected, and to do so, the authorities must ensure that all eligible taxpayers, including influential individuals, are held accountable. Moreover, the recent increase in VAT and supplementary duties should be reconsidered as raising revenue through indirect taxes is placing undue burdens on citizens, who have long been struggling with high inflation.

As the next fiscal year is going to be a crucial one amid all the uncertainties caused by the July uprising, fall out effect of financial sector mess up and slow decision making, the national budget must reflect prudent and strategic thinking on the government's part. Long-term policies to address persistent and potential setbacks should be integrated into budget preparations to ensure Bangladesh is adequately prepared for challenges that lie ahead.

We need national capital to grow faster to finance our growth. That growth must come through broadening the tax base, not by killing the golden goose -- existing tax payers, especially individual ones who are mostly salaried. This in another way would squeeze their purchasing power or disposable income. Interestingly, with further digitalisation and growth in private entrepreneurship, this number will grow fast.

Though various statistics derived bed from foreign and local institutions show that almost 20 percent of our population earn more than $3,000 annually, our tax identification number (TIN) holding population is only 11.3 million and out of this, only 4 million submitted tax returns for last fiscal year.

This begs the question: where is the shoe pinching? We need to broaden our tax base and send a good message to existing tax payers, especially by incentivising large individual and corporate tax payers instead of raising their tax incidence further. Many countries, including Singapore, are increasingly focusing on the "ultimate kitty" rather than the percentage.

The author is chairman of Financial Excellence Ltd

AI startup Perplexity confirms interest to buy TikTok

AFP, *San Francisco*

Artificial intelligence (AI) startup Perplexity on Friday expressed its interest in buying TikTok, which faces a deadline to divest from its Chinese owner or be banned in the United States.

Perplexity in a blog post laid out a vision for integrating its AI-powered internet search capabilities with the popular video-snippet sharing app.

"Combining Perplexity's answer engine with TikTok's extensive video library would allow us to build the best search experience in the world," the San Francisco-based firm reasoned. "Perplexity is singularly positioned to rebuild the TikTok algorithm without creating a monopoly, combining world-class technical capabilities with Little Tech independence."

President Donald Trump earlier this month said the United States was in talks with four groups interested in acquiring TikTok, with the Chinese-owned app facing an uncertain future in the country.

A US law has ordered TikTok to divest from its Chinese owner ByteDance or be banned in the United States.

"We're dealing with four different groups. And a lot of people want it, and it's up to me," Trump said aboard Air Force One.

"All four are good," he added, without naming them.

The law banning TikTok took effect on January 19 over concerns that the Chinese government could exploit the video-sharing platform to spy on Americans or covertly influence US public opinion.

Japan's core inflation slows to 3% in February

AFP, *Tokyo*

Japanese inflation eased in February, government data showed Friday, with prices excluding fresh food rising 3.0 percent year-on-year in the world's fourth-largest economy.

The core Consumer Price Index (CPI) slowed from 3.2 percent in January, remaining above the Bank of Japan's two-percent target which has been exceeded every month since April 2022.

Government subsidies for electricity and gas bills contributed to the deceleration, the internal affairs ministry said.

February's core reading narrowly beat expectations of 2.9 percent, as rising prices for petrol, food and accommodation among other necessities continued to squeeze households.

"We want to protect people's livelihoods from high prices while paying close attention to the impact of price trends on households and business activities," top government spokesman Yoshimasa Hayashi said.

Tourists walk past shops and restaurants in the popular Shinsekai district of Osaka, with the Tsutenkaku Tower looming behind. PHOTO: AFP/FILE

Measures taken by Prime Minister Shigeru Ishiba include subsidies, the release of stockpiled rice and efforts "to realise wage increases that will not be defeated by rising prices", Hayashi told reporters.

In February, rice prices were up 81 percent year-on-year -- a record for the grain -- while chocolate was 30 percent more expensive.

This month, the government began a rare auction of its emergency rice stockpiles in a bid to help drive down the staple's surging price.

Japan has previously tapped into its reserves during disasters, but this was the first time since the stockpile was created in 1995 that supply chain problems have prompted the move.

The price of cabbage rose 130

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Chinese EV giant BYD aims for Europe boost

AFP, *Paris*

Chinese carmaker BYD on Thursday vowed to conquer Europe with a new compact electric model and super-fast charging capability to rival continental brands.

"You will see, starting from March or April, our registration numbers will jump" in Europe, company vice-president Stella Li told AFP in an interview at a showroom in Paris. "This year, BYD sales in the whole of Europe will start increasing."

The group has launched major advertising campaigns including sponsorship of last year's European Championships in football and has opened numerous new showrooms across the continent.

It plans to launch its small format Seagull, to be renamed the Dolphin Surf in Europe -- a rival to the Renault 5 and Citroen C3 -- around the middle of the year, Li said. In China this week it unveiled a new charging system that it says will allow drivers 470 kilometres (nearly 300 miles) of battery life after charging for just five minutes -- four times faster than the best systems currently on the market.

"It is really as fast as refuelling a petrol car," Li said. "We are... preparing to bring this kind of cutting-edge technology to Europe in the next few years."

BYD said it doubled its exports in the first two months of 2025 from a year earlier, to 130,000 vehicles. It sold 4.2 million worldwide in 2024, making it the globe's sixth-biggest car firm.

The European Union has imposed a 17-percent tariff on Chinese electric vehicles to make up for Chinese state subsidies.

Trump's call for AI deregulation gets strong backing from Big Tech

AFP, *Washington*

Major tech firms are pushing the administration of President Donald Trump to loosen rules on building artificial intelligence, arguing it is the only way to maintain a US edge and compete with China.

Spooked by generative AI's sudden advance, governments initially scrambled to develop guardrails, as major tech companies rapidly integrated the technology into their products.

Since taking office in January, the Trump administration has shifted focus toward accelerating AI development at all costs, pushing aside concerns about the models suffering hallucinations, producing deepfakes, or destroying human jobs.

"The AI future is not going to be won by hand-wringing about safety," Vice President JD Vance told world leaders at a recent AI summit in Paris.

This message unsettled international partners, particularly Europe, which had proudly established the EU AI Act as a new standard for keeping the technology in check.

But, faced with America's new direction, European officials are now pivoting their messaging toward investment and innovation rather than safety.

"We're going to see a significant pullback in terms of the regulatory efforts... worldwide," explained David Danks, professor of data science and philosophy at University of California San Diego.

"That certainly has been signaled here in the United States, but we're also seeing it in Europe."

Tech companies are capitalizing on this regulatory retreat, seeking the freedom to develop AI technologies that they claim have been too constrained under the Biden administration.

One of Trump's first executive actions was dismantling Biden's policies, which had proposed modest guardrails for powerful AI models and directed agencies to prepare to oversee the change.

CEO of Meta and Facebook Mark Zuckerberg, Amazon founder Jeff Bezos, Google CEO Sundar Pichai and Tesla and SpaceX CEO Elon Musk attend the inauguration ceremony before Donald Trump is sworn in as the 47th US president in the US Capitol Rotunda in Washington, DC, on January 20. PHOTO: AFP/FILE

"It's clear that we're taking a step back from that idea that there's going to be a coherent overall approach to AI regulation," noted Karen Silverman, CEO of AI advisory firm Cantellus Group.

The Trump administration has invited industry leaders to share their policy vision, emphasizing that the US must maintain its position as the "undeniable leader in AI technology" with minimal investor constraints.

The industry submissions will shape the White House's AI action plan, expected this summer.

The request has yielded predictable responses from major players, with a common theme emerging: China represents an existential threat which can only be addressed by plowing an open path for companies unencumbered by regulation.

OpenAI's submission probably goes the furthest in its contrast with China, highlighting DeepSeek, a Chinese-developed generative AI model created at a fraction of American development costs, to emphasize the competitive threat.

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