Local brands poised for global competition

MD. QUAMRUL HASSAN
Chief Business Officer
ACI Consumer Brands

The Daily Star (TDS): Could you provide an overview of your company's current position and performance in the cosmetics and toiletries sector?

Md. Quamrul Hassan (MQH): Our cosmetics and toiletries portfolio at ACI is constantly evolving to meet the ever-changing needs of today's consumers. We offer a wide range of products across the personal care, hygiene, and skincare segments—each designed with a strong focus on quality, safety, and relevance. Within our toiletries portfolio, we proudly feature trusted household names such as Savlon—a flagship brand that spans multiple categories, including handwash, soap, liquid antiseptic, and antiseptic cream.

Our lineup also includes Septex Soap and Handwash, the elegant Leona Beauty Soap, and Baby Soft—our dedicated baby care brand, formulated with the gentlest ingredients for delicate skin. We also address specific consumer needs with herbal soaps and handwashes enriched with neem, SkinZEN and Savlon Men Shower Gel, as well as cutting-edge skincare products like Angelina Hyaluronic Booster.

TDS: How would you assess the current position and performance of local brands?

MQH: In Bangladesh's cosmetics and toiletries sector, local brands are gaining significant traction. While historically dominated by global players, the market is now witnessing the rise of homegrown brands that better understand local needs, preferences, and price sensitivities.

However, challenges remain—including limited access to R&D facilities, insufficient branding expertise, and the scarcity of high-quality raw materials. With the right support and strategic investment, these local brands have the potential to emerge as strong contenders, both within the domestic market and on international platforms.

TDS: What are the major challenges or barriers limiting the growth and expansion of the local cosmetics industry?

MQH: Since the majority of necessary components are not produced domestically, the industry's heavy reliance on imported raw materials is a major issue. As a result, the industry remains highly vulnerable to fluctuations in the USD exchange rate, which have an immediate impact on import prices and overall costs.

Additionally, a lack of infrastructure, advanced technological knowledge, and local innovation potential hampers product development and competitiveness. For the industry to grow sustainably and prepare for integration into the global economy, these obstacles must be addressed.

TDS: What are your company's current strategic priorities and future growth plans in the cosmetics sector?

MQH: Our current cosmetics initiatives at ACI are firmly anchored in the concepts of wellness, health, and enhancing consumers' lifestyles. Our goal is to provide safe, skin-friendly, and aesthetically pleasing products that meet the needs of contemporary consumers who seek self-expression and self-care.

Our future plans include incorporating more natural and functional ingredients, expanding into derma-cosmetic solutions, and strengthening customer education through digital platforms. We aim to build a cosmetics portfolio that not only enhances beauty but also promotes overall well-being, empowering consumers to feel good, inside and out.

TDS: What policy changes or government support are needed to drive further industry growth?

MQH: Policy support is essential to unlocking the industry's full potential. Reducing taxes and VAT on raw materials, simplifying import procedures for quality ingredients, and strengthening regulatory frameworks for product safety would significantly accelerate innovation and responsible scaling.

Government investment in technology-driven education could also help nurture a new generation of professionals, supporting smarter, more sustainable industry growth. Companies like ACI are well positioned to lead the development of a more competitive and resilient cosmetics industry—provided the right support mechanisms are in place.

Regulatory gaps hold back global competitiveness

JAMAL UDDIN
General Secretary
Association of Skin Care & Beauty Products Manufacturers & Exporters of Bangladesh (ASBMEB)

The Daily Star (TDS): Could you provide an overview of Bangladesh's cosmetics and toiletries industry?

Jamal Uddin (JU): The annual market for cosmetics and skincare products in Bangladesh exceeds Tk 24,000 crore. Although this sector holds significant potential for the country, the presence of counterfeit and smuggled products poses a serious challenge to the market for quality goods.

Despite notable growth in Bangladesh's cosmetics and skincare industry in recent years, there remains a lack of a proper regulatory framework for import, production, and marketing. Compared to the guidelines of the Central Drugs Standard Control Organization (CDSCO) in neighbouring countries, several important regulations and controls are absent in Bangladesh. In many countries, even at the supplier level, manufacturers are required to declare whether harmful chemicals are being used as raw materials in products. However, no such system exists in Bangladesh, posing a threat to the domestic industry.

Furthermore, the existing process for product approval after production, overseen by BSTI, is extremely complex and disproportionately more burdensome compared to imported goods. While a CM (Certification Mark) licence for imported products can be obtained within 3–5 working days, it takes a minimum of 38 working days—sometimes extending to 44 to 46 working days—to obtain a CM licence for domestically produced goods. As a result, imported products are marketed easily, while domestic manufacturers face unequal competition.

TDS: How would you assess the current position and performance of local brands?

JU: Under the import policy, only 79 out of the 299 products mandated by BSTI for licensing require a CM licence for import. However, many cosmetic products, including those related to skin protection, fall outside this mandatory list, putting public health at risk.

This disparity extends to customs duties as well. The Tariff Commission has noted that a local manufacturer must pay a 10% supplementary duty on the unit price per piece. This results in a much higher duty burden for local producers, as the dutiable value of domestically produced goods is significantly higher than that of imported ones. Such disparities threaten investment by local manufacturers in an increasingly competitive market environment.

TDS: What are the major challenges or barriers limiting the growth and expansion of the local cosmetics industry?

JU: The export process for cosmetics and personal care products from Bangladesh is extremely complex and time-consuming, making it difficult to compete in international markets. Compared to Bangladesh, countries such as India, China, and South Korea have far more simplified and business-friendly export policies and facilities. As a result, the global expansion of Bangladeshi brands is being hindered.

TDS: What types of policy revisions or government support could help further develop the industry?

JU: In Bangladesh, the absence of mandatory registration and quality control systems for cosmetics has led to the unregulated establishment of substandard and adulterated factories, posing serious health risks. Warehouses are also set up haphazardly, creating further safety concerns and opportunities for storing unregistered products.

Moreover, there is no requirement for international quality standards, such as GMP (Good Manufacturing Practices), allowing substandard products to flood the market. These regulatory gaps significantly hinder Bangladesh's ability to compete internationally.

To be globally competitive, the cosmetics industry urgently needs simplified export processes, stronger policy support, and adoption of frameworks similar to CDSCO and FDA standards. Additionally, there are limited tax exemptions, subsidies, and cash incentives for cosmetic exports, leaving Bangladesh far behind neighbouring countries in government support for industry growth.