



IGLOO'S RECIPE FOR MARKET LEADERSHIP

Quality, Consistency, Innovation

ASM MAINUDDIN MONEM, Managing Director, Igloo Ice Cream



The Daily Star (TDS): How would you describe the current state of the ice cream market in Bangladesh?

ASM Mainuddin Monem (AMM): Currently, the ice cream market in Bangladesh is experiencing fluctuations due to the country's micro and macroeconomic environment, non-supportive regulatory policies, and untimely excessive rainfall. Despite these challenges, the ice cream industry in Bangladesh is progressing with an approximate compound annual growth rate (CAGR) of 14.5%.

The current market size is estimated to be around BDT 3,200–3,500 crore annually. However, during super peak seasons, all local brands are unable to meet the required quantity demanded by consumers.

TDS: How has consumer preference for ice cream evolved in Bangladesh over the past decade, and how has your company adapted to meet those changing tastes?

AMM: Over the last few years, ice cream preferences in Bangladesh have shifted significantly—driven by rising incomes, increasing urbanisation, changing lifestyles, and the influence of global food trends.

In response, we at Igloo Ice Cream have remained steadfast in our commitment to ensuring the highest quality and consistency across all our offerings, while embracing innovation as a core driver of growth. Backed by rigorous R&D, our innovation efforts have

enabled us to introduce a diverse range of new products that cater to evolving consumer tastes. Products like Exotic, Kheer Malai, Icecafe, Doi, Blueberry Yoghurt, and Red Velvet reflect how our dedication to quality, consistency, and innovation continues to set us apart in the market.

TDS: With rising health consciousness among consumers, how is your company balancing indulgence with healthier options like low-sugar or dairy-free products?

AMM: As a pioneer in the modern ice cream industry, Igloo places the highest priority on product quality. Over the past decade, Bangladeshi consumers have become increasingly health-conscious, and Igloo has responded accordingly. We have also partnered with global companies such as YUM! Brands (a Fortune 500 company that operates Pizza Hut, KFC, Taco Bell, and Habit Burger & Grill) and Carl's Jr. to obtain compliance certifications for maintaining state-of-the-art hygiene and safety standards across our ice cream manufacturing processes.

As a first step, Igloo transitioned from using artificial colours to natural colours, even though the shift incurred nearly triple the cost. Following that, we made the decision to eliminate trans-fats from our products. While many manufacturers still use cheaper palm oil derivatives (palmitic origin), Igloo

exclusively uses lauric fats that contain no trans-fats.

Recognising the growing demand for sugar-free and vegan products, Igloo initiated extensive R&D efforts and is now close to finalising successful formulations. Although we have been producing and marketing sugar-free products for over 20 years, the Bangladesh Standards and Testing Institution (BSTI) recently decided to introduce a new standard for such products. As a result, we have temporarily suspended production until further guidance is received, which we expect shortly. Regarding vegan offerings, our valued consumers can expect to see exciting new developments in the market very soon.

TDS: What are the biggest operational challenges in producing and distributing ice cream in a tropical country like Bangladesh, especially outside major cities?

AMM: Ice cream is an extremely sensitive perishable item. From the production floor to the end consumer, it must be stored at -20 degrees Celsius throughout the entire process. Maintaining a consistent cold chain across all distribution channels is one of the most significant operational challenges we face. An uninterrupted cold chain is essential to preserving the correct shape, size, and taste of the product.

Once produced, ice cream is shipped

via freezer vans to our company depots or dealers across the country, where it is stored in cold rooms or freezers. From there, the products are transported—usually using insulated tri-cycle rickshaw vans—to retail stores, where retailers store them in freezers provided by manufacturers like us. This is the industry norm. However, even a minor temperature deviation at any stage can result in the consumer not receiving the product in its intended form. Therefore, we take every possible precaution to ensure the product is delivered as expected by our valued consumers.

In a tropical country like ours, where hot and humid conditions prevail for most of the year, maintaining the cold chain during handling and shipment poses substantial difficulties. Another challenge arises at the retailer level. Retailers often store products other than ice cream in the freezers, which violates the agreement set with them. This practice compromises the quality of the ice cream.

While electricity access outside metropolitan cities has improved considerably in recent years, load shedding remains common and severely impacts product quality. We typically experience natural calamities, such as cyclones, at least twice a year, which cause widespread power outages and result in significant product loss nationwide. Overall, we have to overcome

multiple challenges to distribute ice cream effectively across the country.

TDS: What are your expectations from the government to support the growth and improvement of this industry?

AMM: As a leading ice cream manufacturer, we have identified several regulatory issues that we believe should be reviewed and addressed to ensure the sustained growth of our industry:

- A separate HS Code should be introduced for the importation of raw materials and machinery specifically related to ice cream production.

- Business-friendly duty rates should be implemented, replacing the currently high duties on the import of raw materials.

- To sell ice cream, companies require sales-generating assets such as freezers. However, there is currently a 104% duty imposed on freezers (HS Code: 8418.30.00). Since there are no specialised ice cream freezer manufacturers in Bangladesh, a separate tariff line should be introduced for importing freezers exclusively for VAT-registered ice cream manufacturers.

- Ice cream is a milk-based product and contains added nutritional value. Given the significantly high production and distribution costs in the ice cream industry compared to others, the supplementary duty (currently 5%) imposed on ice cream sales should be withdrawn as soon as possible.

Bangladesh's Ice Cream Boom

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Cones now account for around 40 percent of impulse sales, followed by sticks (30–35 percent), and cups. Interestingly, while cups previously led the category, cones have recently surged in popularity due to the variety of flavours and formats on offer.

The remaining 30 percent belongs to the family segment, typically comprising litre packs designed for home consumption. Within this, classic flavours like vanilla, chocolate, strawberry, and mango dominate, making up 70 percent of family sales. Dessert-style and premium value-added ice creams make up the remainder, a space where brands are experimenting with unique textures, toppings, and international flavour profiles.



Caramel, Mint, Mocha, and Red Velvet, we're committed to delighting customers."

Savoy has also entered the innovation race with its flagship 'Discone Ice Cream'—a fusion of taste, texture, and visual appeal. A Savoy spokesperson notes, "We always believed in Discone's potential. But seeing the audience champion it on their own—that's the real reward. They made it their own. They turned it into culture."

Chilled, but Dependent

Despite local manufacturing and distribution capabilities, the industry is heavily reliant on imported raw materials—nearly 95 percent of key ingredients and machinery are sourced internationally. Milk powder and milk fat come from Australia, New Zealand, and Europe, while chocolate and vegetable fat are mostly imported from Malaysia. Stabilizers, flavourings, natural colours, and nuts are procured from Europe, and packaging materials arrive from Thailand, China, and Turkey.

Locally sourced ingredients include liquid milk, sugar, and flour. This dependence on international supply chains makes the sector highly sensitive to global price fluctuations and foreign exchange volatility.

"High import duties on essential raw materials and equipment create unnecessary burdens," says Monem. "A separate HS Code should be introduced for ice cream-related imports, and more business-friendly duty structures are needed to support the industry."

Challenges and Opportunities

While the prospects are promising, the industry continues to face several challenges. Load shedding disrupts cold chain integrity, a shortage of skilled manpower hampers production efficiency, and underdeveloped transport networks limit access to remote markets. These structural issues, if addressed at the policy level, could unlock a new phase of growth for the industry.

With favourable government support, a stable energy supply, and continued consumer interest, Bangladesh's ice cream sector is poised to become a flagship example of how cold indulgence can drive hot profits—even in a tropical economy.

