

Marico to ramp up business in Bangladesh

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Following the success of its non-coconut oil portfolio in Bangladesh, home-grown fast moving consumer goods major, Marico Ltd, is looking to ramp up offerings in the neighbouring country.

The company forayed into baby care in Bangladesh under 'Parachute Just for Baby' brand. Over the last few years, it has started playing in personal care categories like shampoo, value-added hair oils and male grooming categories.

Bangladesh continues to be Marico's largest overseas market (outside India), accounting for 49 per cent of its international business turnover. The company operates in Bangladesh through its subsidiary, Marico Bangladesh Ltd.

According to Pawan Agrawal, CFO, Marico Ltd has been consciously diversifying its portfolio in Bangladesh over the last half a decade. From largely a coconut oil-only portfolio un-



Pawan Agrawal, CFO, Marico Ltd

der Parachute, the company ramped up non-coconut oil offerings in its largest market outside India.

In Q2 FY21 Bangladesh operations grew by 16 per cent in constant currency terms, led by growth in the non-coconut oil business. Parachute coconut oil grew healthily and now accounts for 65 per cent of the turnover and the non coconut oil offerings accounting for the remaining 35 per cent (up from 25 per cent in FY18).

"Over the next couple of years, the coconut oil portfolio should contribute less than 60 per cent of the turnover of our Bangladesh operations. We are

ramping up the non-coconut oil portfolio there to include baby care, personal care and male grooming products," Agrawal told *BusinessLine*.

Vietnam operations

For Q2 FY21, Marico's international business grew by 7 per cent while the operating margin in the international business expanded to 23.1 per cent for the period (versus 21.5 per cent in Q2 FY20).

Amongst international businesses, South-East Asia including Vietnam, which accounts for 26 per cent of the international business turnover, degrew by 6 per cent for the September quarter following a slowdown in the personal care segment.

"South-East Asia, particularly Vietnam, is seeing signs of revival and the company is optimistic of exiting the year with meaningful growth," Agrawal said, adding that "learnings from Bangladesh will be replicated in the geography."