



November 2025



Consumer Electronics & Home Appliances

INDUSTRY REPORT

Lion City Advisory



Executive Summary

Bangladesh's home-appliances and consumer-electronics industry—now a billion-dollar domestic market—expanded again last financial year despite inflation, FX pressure and LC frictions.

Growth is being powered by rising GNI per capita, rapid urbanization, near-universal electrification, and a shift to efficiency and connectivity (inverter, IoT, smart TV). Demand is broadening: households are trading up from basic to no-frost/inverter, while institutions and SMEs (schools, mosques/madrasahs, cloud kitchens) add steady non-household pull for cooling, cold-chain and backup power.

Export openings in TVs and select appliances are widening, and the next leg will be won by players that absorb modern technologies—AI-enabled diagnostics, data-driven service, advanced power electronics—and scale omnichannel fulfillment. Policy support remains pivotal: stable LC/FX access, anti-counterfeit enforcement, e-waste (EPR) clarity, and energy-efficiency standards will determine pace and profitability.

The sector's Achilles' heel is still backward linkage: critical inputs (compressors, semis, specialty resins) keep costs exposed to global cycles, while LDC-graduation-related shifts could alter duty preferences. Greenfield capacity and new brand entries are set to intensify competition and compress ASPs, rewarding localization depth, authenticity at point-of-sale, and best-in-class after-sales.

This first report presents concise segment deep-dives on TV, AC, refrigerators, home and electricals, maps the demand and supply drivers (household upgrades, institutional/SME and cloud-kitchen adoption, remittance, seasonality), explains technology and pricing trends (inverter, IoT/AI, EMI), diagnoses current headwinds (inflation/FX-LC frictions, energy reliability, counterfeits/grey, e-waste compliance), and closes with a data-backed outlook for Bangladesh's consumer-durables market.

Consumer Electronics and Home Appliances Industry of Bangladesh

1st Edition

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1st Edition: 26 November, 2025

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Current Overview

The overall market size (Electronics and Home Appliances) is estimated at around US\$ 1.5 billion in 2024, with an expectation of reaching US\$ 3.5 billion by 2030 with a CAGR of 15.1%. Local players such as Walton, Singer, Minister, and Vision (PRAN-RFL) now dominate major segments, while international brands like Samsung, LG, and Whirlpool compete through distributors and showrooms in key cities.

In recent years, air conditioner and refrigerator sales have grown rapidly due to lifestyle changes, summer heat, and rising middle-class demand. However, high inflation and foreign exchange pressure from FY 2023 till date have slightly slowed household purchases and increased production costs.

E-commerce and installment-based (EMI) sales have become vital channels, helping brands reach middle-income and rural consumers. The government's continued support for local manufacturing through favorable tariff structures and investment incentives is strengthening the domestic electronics base.

Bangladesh's young population, rising disposable income, and steady electrification are expected to sustain long-term growth in the home appliance and consumer electronics sector.

Market Size (2024):
1.5 Billion

Expected Size (2030):
3.5 Billion

CAGR: 15.1%

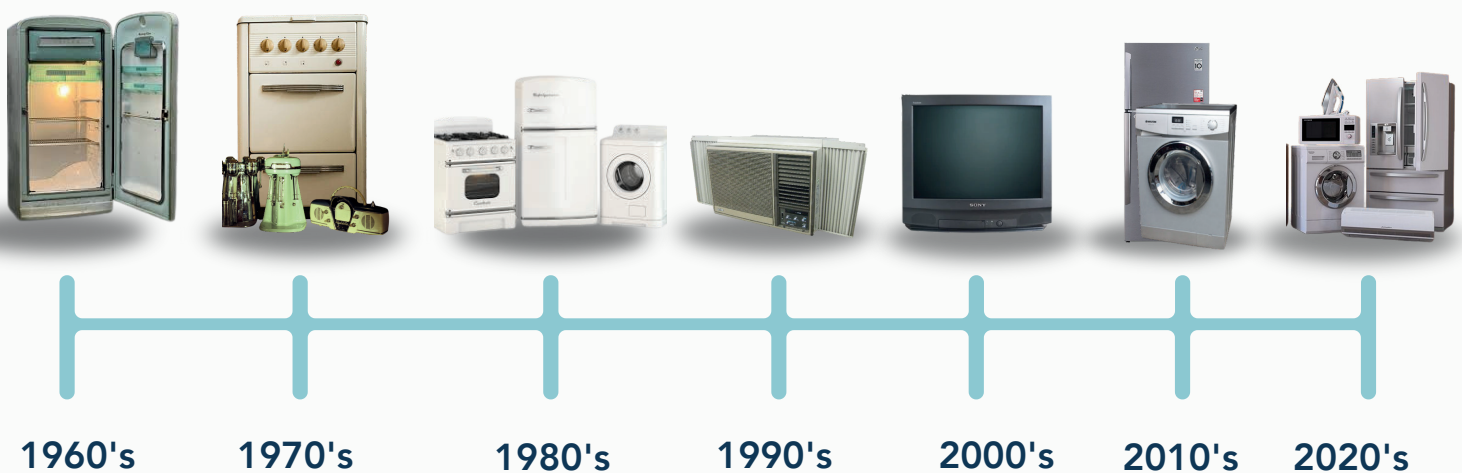
Industry Evolution in Bangladesh

In recent years, the structure of Bangladesh's consumer durables and home appliance industry has evolved rapidly. The market is now characterized by growing localization, technology integration, and increasing competition among domestic and multinational brands. Policy incentives such as reduced import duties on components, VAT rebates, and bonded warehouse facilities have encouraged manufacturers to expand local assembly operations, helping build a stronger electronics production base.

Domestic companies are continuously investing in backward linkage facilities—producing compressors, panels, and other parts locally—to reduce reliance on imports. This has created a positive spillover for employment, supply chain efficiency, and export potential. The sector's expansion has also been supported by improved energy access, rising electrification, and urban housing growth, which together continue to drive steady demand for household appliances.

At the same time, shifting consumer preferences from a somewhat functional appliance to aesthetically pleasing ones are influencing product innovation. Energy efficiency, compact design, and smart connectivity have become major purchasing factors. Many brands are integrating IoT and smart-home compatibility into their product lines to appeal to younger consumers and tech-savvy households, along with that the margin in these new technologically advanced .

While challenges remain in the form of exchange-rate volatility, high production costs, and limited access to long-term financing, the industry's long-term outlook remains strong. The combination of policy support, domestic value addition, and changing consumer lifestyles positions Bangladesh as one of South Asia's most promising consumer electronics manufacturing hubs.



¹ <https://today.thefinancialexpress.com.bd/special-issues/electronic-and-electrical-equipment-market-scene/a-great-leap-forward-1748201017?>

² <https://businessinspection.com.bd/consumer-electronics-industry-impact-on-bd-economy>

Demand Drivers

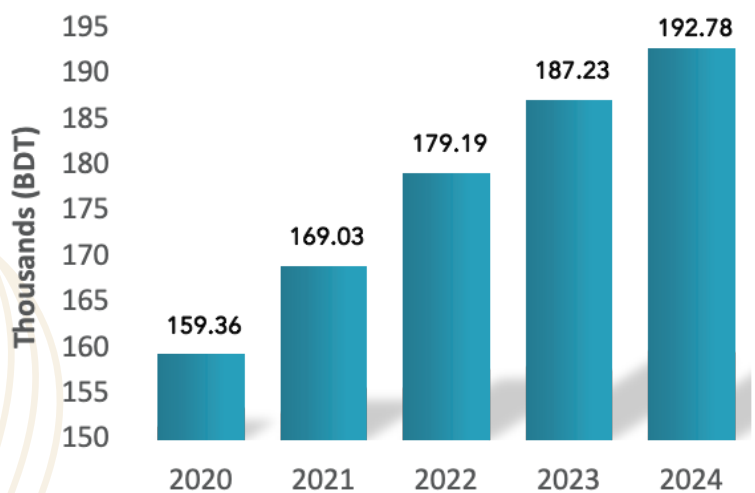
a. Rising incomes, urban living and heat-driven needs are reshaping demand—ACs are surging, EMI is expanding reach, and buyers now want style with function.

Demand for consumer electronics and home appliances in Bangladesh is being lifted by higher purchasing power, urban expansion, nuclear family structure and reliable electricity, while short-term buying patterns respond to weather and policy changes.

Per-capita GDP reached **US\$2,622 in FY25 April from US\$2270 in 2020**, improving affordability for big-ticket items.² Urbanization continues to deepen, reinforcing appliance uptake in apartment-dense cities. According to Worldometers, 42.60% of our population resides in urban areas.

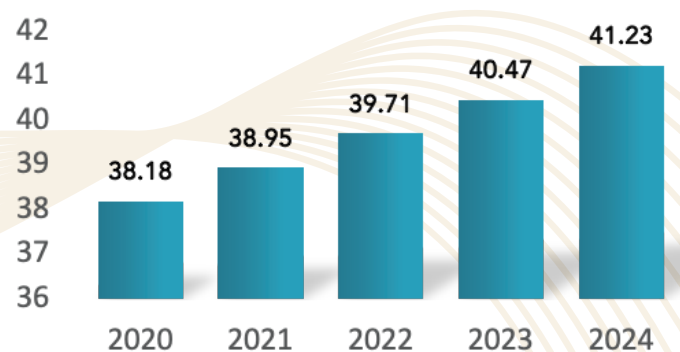
A hotter climate is also shaping category mix: **AC sales climbed to ~650,000 units in 2024** (from ~300,000 in 2020), underscoring heat-linked, summer-skewed demand. At the same time, digital and EMI channels are widening reach beyond major cities, supporting first-time and upgrade purchases. Previously, the household wanted an appliance only for its basic functionality, however with the rising income specially in Dhaka district and suburban areas, most people have shifted their demand for appliances towards sleeker outlook and modern functionality.

Chart 1: Per Capita GDP Growth



Source: World Bank

Chart 2: Urban Population Growth (% of Total Population)



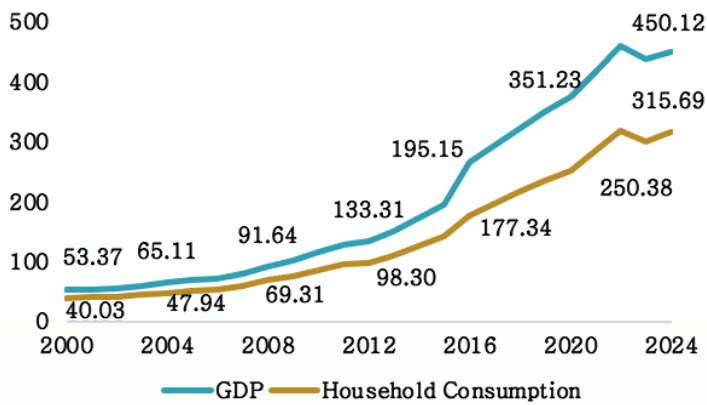
Source: World Bank

³ <https://datacommons.org/place/country/BGD?mprop=amount&popt=EconomicActivity&cpv=activitySource,GrossDomesticProduction&hl=en>

⁴ <https://www.imf.org/external/datamapper/NGDPDPC@WEO/BGD?zoom=BGD&highlight=BGD>

⁵ <https://www.worldbank.org/ext/en/home>

Chart 3: GDP vs Household Consumption Expenditure



Source: World Bank

As the GDP rises, people are buying more appliances to ease their household chores. For example, most of the urban population has converted to micro-oven, washing machine, Air-fryer, electronic stove, Air conditioner etc.

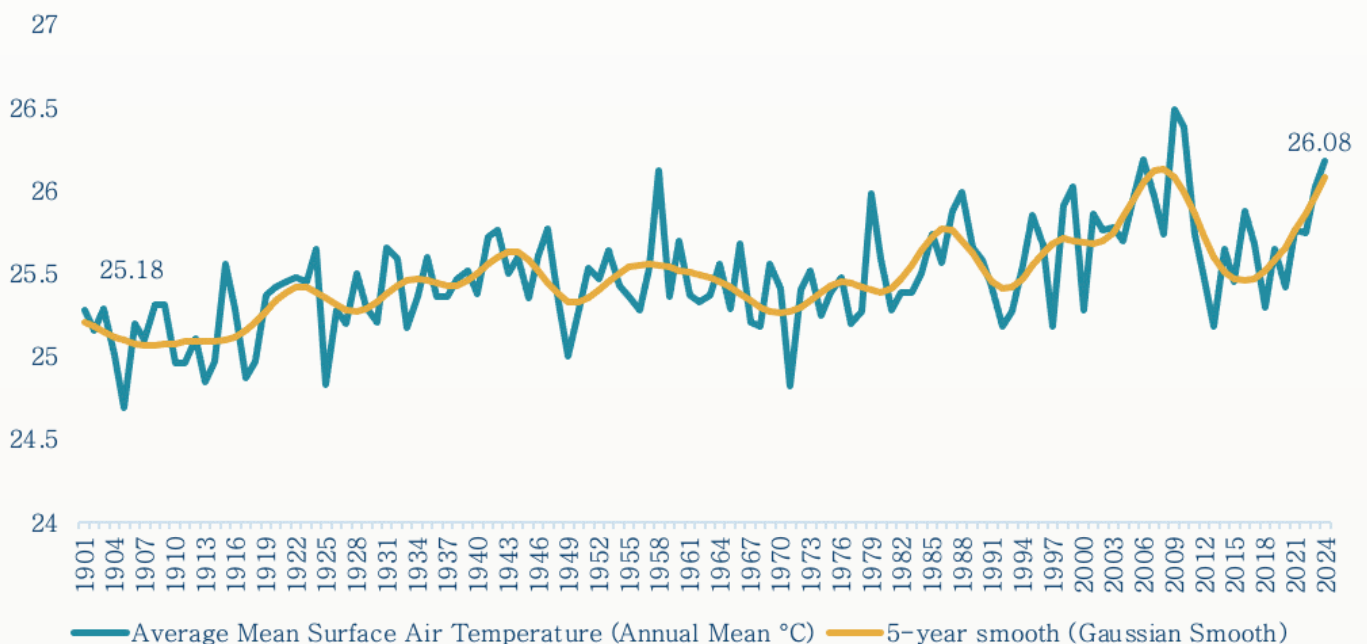
While few years back most people preferred international brands, with new technological

adaptation and exchange among the companies- upper middle class to rich people are also choosing to buy the local brands at a lower cost with the same features as the foreign ones.

b. Climate Change, adulteration and pollution is also encouraging people to adopt to the new safer technologies to remain healthy.

The average temperature of Bangladesh has been increasing slowly for decades along with air and water pollution. People are turning more towards appliances that will help them in regulating their health. From shifting towards Air Cooker to smart refrigerator with inbuilt temperature control system, people want to avoid getting sick due to untimely weather or food aduterations..

Chart 4: Bangladesh's Yearly Average Temperature



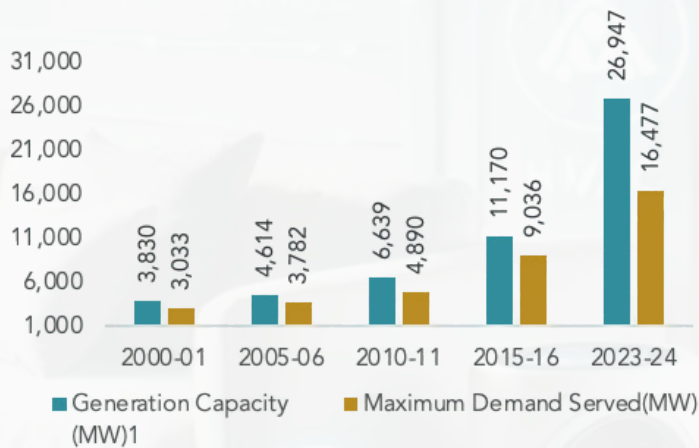
Source: National Centers for Environmental Information

⁶ <https://www.ncei.noaa.gov/services/state-of-the-services>

c. Universal electricity access is expanding the plug-in appliance market, with capacity and demand hitting new highs

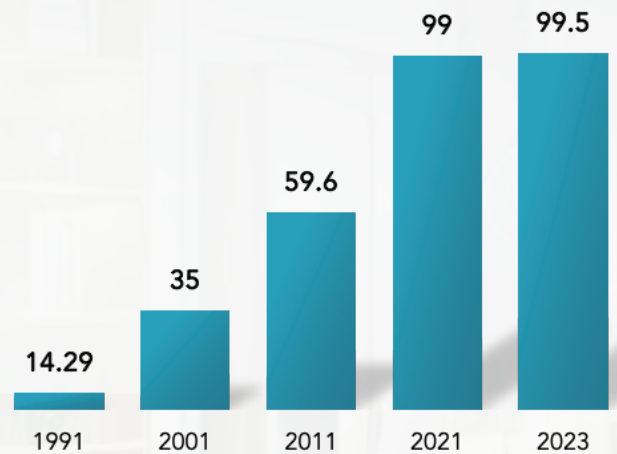
Electricity has quietly crossed a milestone—every household in Bangladesh now has access. From just 47% in 2009 to 100% in 2023, this has been one of the fastest electrification runs in developing Asia. For consumer durables, this changes the game: every TV, fridge, AC or washing machine is now sellable in every corner of the country.

Chart 5: Electricity Generation Capacity and Demand



Source: Bangladesh Power Development Board

Chart 6: Electricity Access (% of Population)



Source: World Bank

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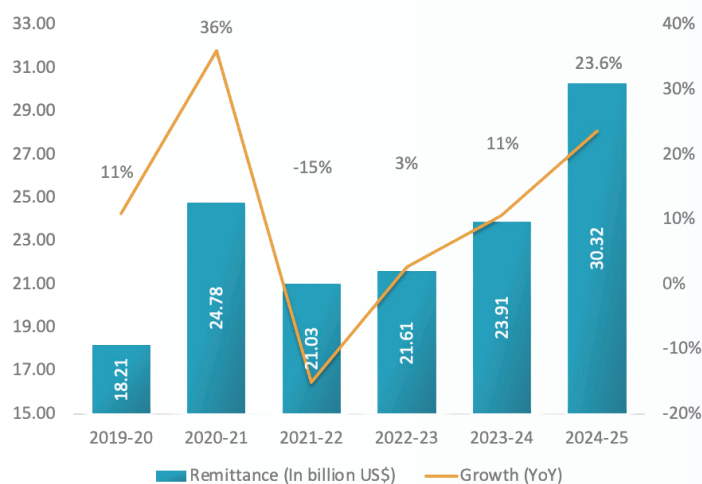
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⁷ <https://misc.bpdb.gov.bd/daily-max-generation>

d. Surging remittances boosts household purchasing power and drives demand for consumer durables.

Chart 7: Remittance and its Growth



Source: Bangladesh Bank

Rising remittance inflows are a direct tailwind for consumer durables because they lift disposable income in recipient households and shift spending toward non-food items and durable goods. In FY 2024-25 the remittances reach up to US \$30.32 Bn with a growth rate of 23.6%.⁷ Empirical evidence links these inflows to higher durable consumption: multi-country and Bangladesh-focused studies find that international remittances raise non-food spending and the stock of household durables (e.g., appliances, electronics), with remittances.

e. Heat-driven institutional demand will accelerate nationwide adoption of ACs and backup power.

Beyond households, mosques/madrasahs and schools/colleges are adding steady demand for ACs and basic electronics. Bangladesh has 161,618 educational institutions; if each has roughly 10 classrooms, that is about 1.6 million rooms. Even at a conservative 1–2 ACs per classroom (or 2–4 per institution), the potential equipment need is large. The 2024 heatwaves made this urgent: several districts allowed AC-equipped institutions to remain open while others curtailed activities, turning cooling from a luxury into an operational requirement. The same pattern appears in religious spaces.

As of June 2024, Bangladesh had 300,000 active mosques across 87,000 villages and cities; guidance to run mosque ACs at 25 °C during Tarawih focused on how to use existing ACs rather than whether to have them, implying broad adoption.



⁸ <https://www.bb.org.bd/en/index.php/publication/publicctn/5/27>

⁹ [https://banbeis.portal.gov.bd/sites/default/files/files/banbeis.portal.gov.bd/npfblock/Bangladesh%20Education%20Statistics%202023%20\(1\).pdf](https://banbeis.portal.gov.bd/sites/default/files/files/banbeis.portal.gov.bd/npfblock/Bangladesh%20Education%20Statistics%202023%20(1).pdf)

Because summer peaks still strain supply, institutions are also adding IPS/UPS to keep classes and prayers uninterrupted, and the UPS market is projected to grow ~6.5–7.5% CAGR (2025–2031) on the back of education, retail, and public-venue demand. Campus upgrades continue as through democratic practices people are getting their voices heard with mandates of development in institutions.



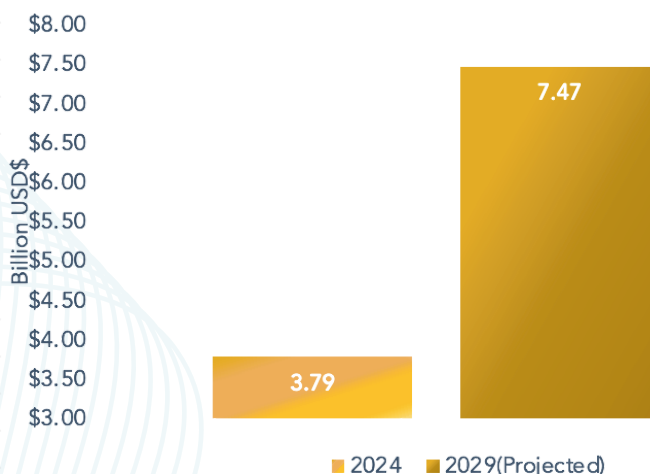
f. Small food businesses are turning electronic appliances into business essentials in every kitchen.

Small food businesses are changing fast. Home kitchens, cloud kitchens, and street stalls are moving toward more professional setups and delivery-first models. This shift creates steady demand for essential equipment: refrigerators/freezers for safe storage, blenders/mixers for prep, compact ovens/air-fryers for faster service, and IPS/UPS to keep operations running during power cuts.

Employment and scale tell the same story. Bangladesh now has over 4.3 lakh hotels and restaurants (BBS), with industry groups counting around 30 lakh workers and about 25,000 outlets in Dhaka.

Young consumers, delivery apps, and online payments are pushing small operators to standardize menus and upgrade their tools. As a result, fridges, blenders, air-fryers, and backup power have moved from “nice to have” to business essentials, adding a reliable, non-household engine to overall demand for consumer durables.

Chart 8: Restaurant Industry Growth



¹⁰ Hotel and Restaurant Survey, BBS.

¹¹ <https://www.upturn.com.bd/industry/restaurants>

g. Value-tech is speeding adoption through smarter features, lower running costs, faster upgrades.

New features and lower running costs are pulling buyers in. Inverter ACs now offer big power savings (often up to 60%, plus app control, cutting monthly bills and making cooling realistic for first-time users and small businesses. Energy-efficiency policies (MEPS, labeling) reinforce this shift by pushing shoppers toward lower lifetime cost, not just lower sticker price. Meanwhile AI/IoT is going mainstream—things like AI diagnostics, connected control, and offline Bangla/English voice—making products easier to use and service. Add in aggressive local pricing on connected devices (e.g., smart TVs from ~Tk 20–25k), and upgrades spread faster across the market.



Challenges Ahead

a. Counterfeits and grey imports are eroding trust, distorting prices, and draining margins for genuine brands.

In electronics, Zinjira (Dhaka) remains a major hub for counterfeit and refurbished goods. From ACs to refrigerators, close copies of big brands enter shops with swapped parts, pasted badges and reprinted boxes.

The damage is threefold: pricing—fake and grey stock undercut authorised MRPs and distort promotion plans; trust—buyers get no warranty or unsafe builds, then blame the brand they thought they bought; and channel erosion—authorised dealers lose traffic while service centres absorb disputes and uncompensated repairs. Sony–Rangs has publicly warned customers and launched digital warranty verification for TVs and accessories, while regulators are rolling out QR-based licences, raids and tighter BSTI checks. But enforcement is uneven outside major retail zones, and verification is still not routine at the counter. Until point-of-sale authentication becomes standard and non-genuine claims are consistently refused,

counterfeit and grey flows will keep leaking into the market, depressing ASPs, inflating warranty costs, and eroding the economics for compliant manufacturers and retailers

ACCORDING TO A STUDY BY THE ANTI-COUNTERFEITING GROUP, FAKE PRODUCTS COST THE GOVERNMENT TK3,170 CRORE IN LOST TAX REVENUES ANNUALLY, WHILE LEGITIMATE BUSINESSES LOSE TK13,680 CRORE IN SALES.



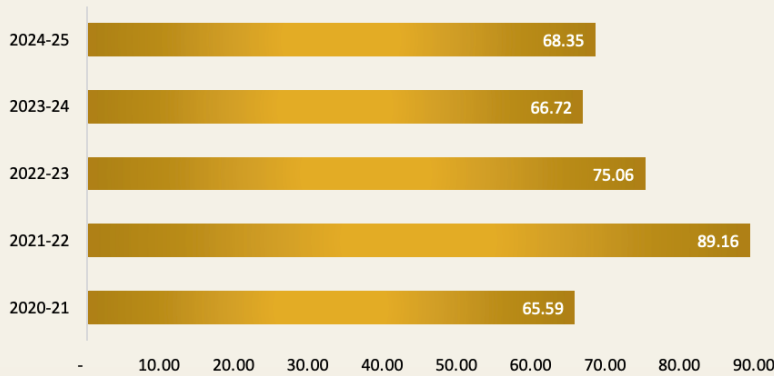
¹² <http://thefinancialexpress.com.bd/national/dhaka-emerges-as-a-hub-for-counterfeit-products>

b. Import dependency and currency shocks are squeezing margins—global disruptions now translate directly into higher prices and delayed production.

Despite gains in local manufacturing, Bangladesh’s consumer electronics and appliance sector still leans heavily on imported components—compressors, PCBs, display panels, ICs, plastic resins, and metals like copper or aluminum. When global prices rise or the taka weakens, cost pressures flow straight into the domestic supply chain.

The Russia–Ukraine war amplified this. It pushed up global energy and shipping costs, choked logistics, and inflated dollar prices for raw materials and parts. For a component-heavy industry, the fallout was immediate. Import LCs stalled, delivery times stretched, and retail prices climbed. The war didn’t just raise oil and freight costs—it raised uncertainty across trade routes, which exporters and logistics providers passed on as risk premiums.

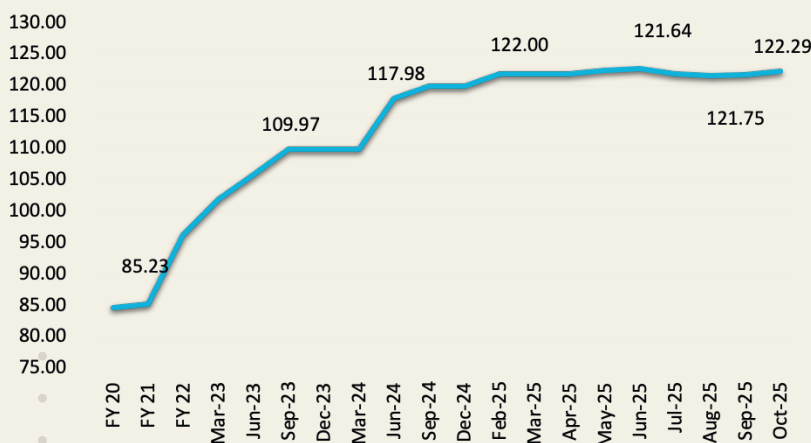
Chart 7: Annual Import



Source: Bangladesh Bank

Then came the second blow: FX pressure. From early 2022 to late 2024, the Bangladeshi taka depreciated nearly 30% against the US dollar. That directly lifted the BDT cost of every imported part or finished good. Local brands—still assembling imported kits—either raised sticker prices or absorbed thinner margins. Neither path was easy. A report from The Daily Star in March 2025 notes how these pressures trimmed sales and strained working capital.

Chart 8: FX Exchange Rate



Source: Bangladesh Bank

Retailers flagged that some mid-tier brands had to cut SKUs or delay new model launches, as imported component sets became more expensive to land and harder to finance. For price-sensitive buyers, a Tk 5,000 hike on a refrigerator or AC was enough to delay a purchase. In 2023, The price of Refrigerator alone was increased by a staggering 24% on average Y-O-Y according to our research.

¹³ <https://www.bb.org.bd/en/index.php/publication/publicn/3/10>

For suppliers, it meant harder planning, tighter cashflow, and more price pushback.

The combined impact of import reliance, war-driven supply shock, and FX devaluation is now clear: input costs have spiked, margins have narrowed, and pricing power has weakened. Unless local component ecosystems deepen further, the next global shock could ripple through even faster.

c. Local production enjoys tax relief, giving it a pricing edge. High import duties, VAT, and advance taxes keep foreign brands expensive—pushing them to assemble locally or exit the mass market.

For consumer durables, the tax curve is steepest at the finish line. Imported goods—TVs, ACs, refrigerators—land with over 55% in combined taxes: 25% customs duty, 15% VAT, plus advance income tax and other charges. For foreign brands or local importers relying on finished stock, this inflates prices, shrinks margins, and limits reach beyond premium segments.

Local assemblers face less friction. IRC-registered factories can import components at zero customs duty under raw material concessions, with reduced AIT and input VAT credits. But access depends on HS code compliance, proper declarations, and manufacturing status. For them, the tax load is lighter, the cost base leaner, and pricing more agile.

This creates a pricing wedge. Local players shape the mid-market; importers fight uphill. Some global brands like Samsung or Xiaomi now assemble locally to qualify for lower input duties. Others, unable to absorb the differential, retrench or exit low-price segments.

Factor	Local Manufacturer	Finished Goods Importer
Custom Duties	0% (on eligible material via SRO)	25%(Standard)
Vat (on imports)	15% (input VAT, adjustable)	15% (non-adjustable on full landed cost)
Advance Income Tax (AIT)	2% (reduced for manufacturers)	5%–7.5% (higher for commercial importers)
Supplementary Duty (SD)	Often 0% (for raw materials)	0%–20% (varies by product)
Net Tax Burden	Lower, input-credit eligible	Higher, full stack applies

¹⁴ <https://nbr.gov.bd/faq/vat-faq/en>

d. Energy disruptions and falling gas supply are straining factories. While Walton turns to floating solar, most brands remain grid-dependent and exposed to rising costs.

Electricity may now reach most of Bangladesh, but consistency hasn't caught up. For appliance manufacturers, unstable voltage, scheduled load-shedding, and gas pressure dips still halt production lines. Injection moulders, soldering stations and compressors can't stop and restart without cost—yet in key industrial zones, grid stability remains uneven.

Gas is tightening too. Domestic reserves are depleting—production fell by over 20% in a decade—while industrial demand rises. Power plants now consume the lion's share of national supply, leaving factories to ration output or run costly diesel backup.

Solar offers a fix, but scale is lagging. Walton stands out, having installed what is reportedly the country's largest floating solar plant (~1 MW) atop a lake at its Gazipur campus—alongside major rooftop capacity. Others haven't followed. High capex, policy gaps and roof-space limits are barriers. Without energy diversification—and faster grid modernization—electricity will remain an uncertain input, not a guaranteed utility.

IN FY24, OVER 190 BILLION CUBIC FEET WENT TO INDUSTRY.

But the squeeze is visible: permissions delayed, pressure drops frequent, and long-term contracts uncertain.



¹⁵ <https://gasoutlook.com/analysis/bangladesh-gas-production-plummets-to-decade-low>

¹⁶ <https://www.tbsnews.net/economy/industry/gas-crisis-deepens-factories-forced-cut-production-seek-costly-alternatives-1125351>

¹⁷ <https://cpd.org.bd/power-and-energy-crisis-in-bangladesh>



Industry Product Insights

Refrigerator



Refrigerators are the steadiest, need-based appliance. Sales run through the year, with small bumps in summer and Ramadan–Eid when families stock up and new households set up kitchens. When inflation bites, people may delay upgrades by a quarter or two, but they rarely cancel the purchase entirely—so the category holds up better than TV or even AC. The core of the market is still direct-cool for first-time buyers, but the upgrade path is clear: families move to no-frost/inverter for lower bills, stable cooling and less hassle.

THE CURRENT SALES HOVER AROUND 2 MILLION UNITS PER YEAR AND THEN STAYED AROUND THAT FIGURE, BUT IT DECREASED SIGNIFICANTLY IN 2023, FALLING FROM AROUND 3+ MILLION UNITS TO 2 MILLION UNITS.

Global Current Market Size: USD 75 Billion

Asian's Current Market Size: USD 33 Billion

Bangladesh's Current Market Size: USD 591 Million

The main reasons for the fall can be attributed to the fact that due to Russia Ukraine war the price of the raw materials skyrocketed leading to a price growth of around 25-40% depending on the range of the refrigerator. As well as the currency depreciation and tighter letter of credit approvals made imported parts costlier and less available, lifting retail prices and stretching delivery times; and a weaker seasonal peak (rain-disrupted Eid cycles and tighter household budgets) trimmed the usual festival bump.

Consumer perception of after-sales support may have influenced brand choice in certain districts, as both Marcel and peers advertise extended service hours and digital ticketing. Put together, these factors moved the market to a lower run-rate even though underlying need did not change.



Types of Refrigerators

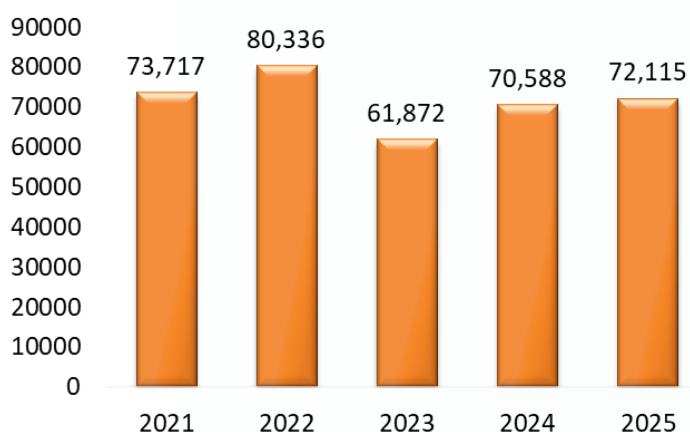


Local Brands

International Brands



Total Refrigerator Market in Bangladesh



The local manufacturing and wide dealer networks keep products available and serviceable in most districts.

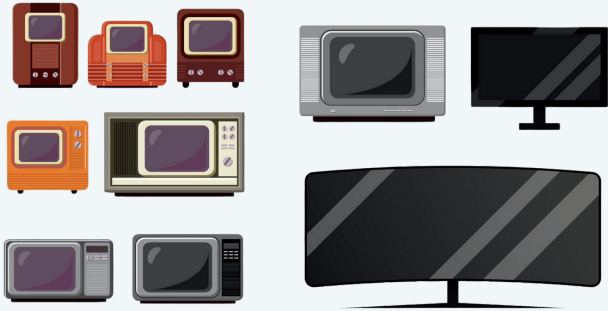
WALTON, MARCEL, MINISTER, VISION COVER THE ENTRY AND MID TIERS, WHILE SAMSUNG, LG, WHIRLPOOL, HAIER ADDRESS THE PREMIUM AND SIDE-BY-SIDE SPACE.

EMI and exchange programs help push larger capacities (300–400+ liters) as incomes rise. Small businesses are now an important layer: home kitchens, cloud kitchens, sweet shops, meat/fish stalls routinely add a second fridge or deep freezer for safe storage and peak-hour throughput, which keeps unit demand ticking even when household sentiment is soft.



²⁴ <https://www.tbsnews.net/features/panorama/old-ac-and-fridge-exchange-offers-where-do-used-appliances-go-827246>

TELEVISION



TV remains one of the most promotion-sensitive categories in Bangladesh, with demand peaking around Eid and major sports tournaments when brands push bundle offers, EMI and extended warranties.

OUR ESTIMATES SUGGEST THAT IN FY 2024-25 THE MARKET SIZE OF TELEVISION WAS NEARLY \$838 MILLION AND TOTAL UNITS SOLD IN BANGLADESH IS AROUND 425,000 UNITS WITH AN AVERAGE PRICE OF 24,193 BDT.

As the FIFA World Cup is just around the corner, We believe the demand of the televisions would increase resulting in more units sold. Till now The market today was slowly shifting towards local brands for lower to middle class families, who can't afford the high-end price tags of South Korean Giants like LG or Samsung.

Global Current Market Size: USD 100 Billion

Asian's Current Market Size: USD 31 Billion

Bangladesh's Current Market Size: USD 838 Million

Now, there's also Chinese brands like Xiaomi and Hisense that has captured the need of Bangladeshi market with aggressive pricing with more advance features than local brands, significantly reducing the average price of televisions in last few years along with lesser demands during no holiday period.

WALTON IS THE LEADING LOCAL PLAYER, WITH 40% SHARE AND 8,00,000 UNITS/YEAR DOMESTIC CAPACITY; THE BRAND NOW EXPORTS TO 40+ COUNTRIES, INCLUDING DESTINATIONS IN EUROPE, NORTH AMERICA AND ASIA.

¹⁸ <https://www.waltonplc.com/investors/investor-info?tab=annual-report>

Local Brands



International Brands



What's new in the last two years is capacity and brand entry. Fair Group started manufacturing Hisense TVs locally (Narsingdi) and launched the brand in Bangladesh in December 2024, adding another value-smart option right in the sweet spot of demand. Fair Electronics also picked up AEO status and a national Green Factory Award in 2025, signalling a more mature, compliant TV supply base.

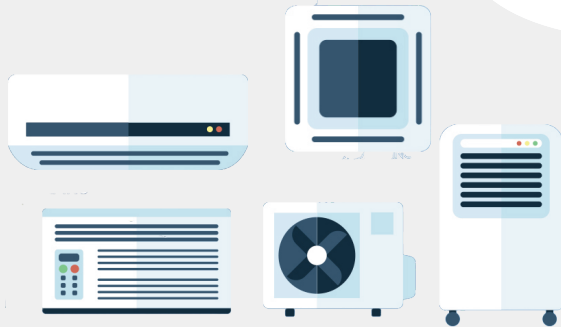
On the demand side, the spread of OTT apps on TV (Netflix, Prime Video, Chorki, Bioscope, etc.) is pulling urban customers toward connected sets, so even when unit growth is choppy, the smart/large-screen mix keeps improving.

¹⁹ <https://www.tbsnews.net/economy/corporates/hisense-officially-launched-bangladesh-grand-ceremony-1015786>

²⁰ <https://www.tbsnews.net/economy/corporates/fair-electronics-achieved-green-factory-award-2025-1172641>

²¹ https://www.researchgate.net/publication/364046367_A_Study_on_Over-the-Top_OTT_Video_Streaming_Platforms_in_Bangladesh

Air Conditioner



AC is one of the most season and post sales service driven home appliance. Sales in general spike in the pre-monsoon heat and around Eid when brands roll out bundle offers and EMI.

THE CURRENT MARKET IS RUNNING AT AROUND 600K-700K UNIT/YEAR; THE 2024 HEATWAVE PUSHED VOLUMES TO THE HIGHER END OF 750K UNIT AND HAD A NEGATIVE GROWTH OF AROUND -17% IN 2025 AS TEMPERATURES WERE Milder THAN THE PREVIOUS YEAR.

The preferable size remains around 1.0–1.5 ton inverter split for apartments and small shops, and inverter now dominates new purchases because it lowers monthly bills.

Global Current Market Size: USD 130 Billion

Asian's Current Market Size: USD 94 Billion

Bangladesh's Current Market Size: USD 2.35 Billion

On price and access, local manufacturing has made a clear difference. Walton, Minister, Jamuna and Vision (PRAN-RFL) cover the entry and mid tiers, while General (Esquire), Daikin, Gree, entry inverter models are widely advertised for and the price range hovers around Tk 47–55k, keeping first-time adoption within reach for middle to upper middle class.

Institutions are adding to the base as well: schools, colleges, madrasahs and mosques have been putting in ACs and IPS/UPS to cope with hotter months and crowded spaces, which helps smooth demand beyond households. While bulk institutional and business purchases tend to happen in the cooler months or during discount windows, demand usually peaks around April–August. With new AI features and low-cost models, the AC market is likely to keep expanding as the climate warms and more businesses and religious institutions adopt AC out of necessity, not luxury.

²² Air Conditioning Market, Fortune Business Insights

Types of Air Conditioners

SPLIT



WINDOW



PORTABLE



INVERTER



CASSETTE

Bangladeshi consumers today have a broad range of AC types to choose from, based on usage needs, energy efficiency, and affordability:

- **Split ACs:** These dominate residential and small commercial usage, especially in apartments and small shops.
- **Inverter ACs:** Now the preferred choice for new purchases, inverter models adjust compressor speed to save energy and reduce electricity bills—crucial in a power-cost-sensitive market.
- **Window ACs:** Rarely used now due to installation limitations and lower efficiency.
- **Cassette & Ceiling ACs:** Used in showrooms, offices, and institutional spaces.
- **Portable ACs:** A niche segment, useful in temporary setups but not yet widespread.

Local Brands



International Brands



What's changed in the last two years is the depth of local capacity and features. Plants have upgraded lines to inverter platforms, shifted to newer R32/R290 refrigerants, and pushed app/IoT control and self-diagnostics into mid-range models. Local players have also expanded compressor/PCBA capability and service networks, which lowers lifetime cost and speeds up installation/repairs during peak season. Walton, one of the most successful local brands, reportedly produced at 117% of its production capacity in 2024 and reached nearly 95% of production capacity in 2025 - reflecting strong market need and a likely case for capacity expansion ahead.

²³ <https://www.tbsnews.net/supplement/local-ac-makers-now-eye-global-market-844931>

Home Appliances



Home appliances are now part of everyday life for most urban households and a growing share of rural homes. The market runs steadily through the year with small peaks in summer and Ramadan–Eid. First-time buyers start with rice cookers, blenders/mixers, induction cookers, irons, vacuum cleaners and then move up to microwaves/OTGs, dishwashers and larger washing machines as incomes rise.

Local brands cover the entry and mid ranges well, and global brands compete in premium lines. What is selling today are energy-efficient, compact, easy-to-clean products that fit small apartments and busy schedules. EMI, exchange offers, and e-commerce deals make these items easier to buy.

Even 10-15 years ago, expatriates used to bring the home appliances for their family due to the absence of good foreign brand in the local market, now with better income foreign brands have emerged alongside local brands for the growing demands of home appliances.

DUE TO THE NEAR UNIVERSAL ELECTRIFICATION AND LESSER LOADSHEDDING, THE HISTORIC BARRIER THAT USED TO EXIST FOR US HAS BEEN ERADICATED.

Along with the global rise in nuclear families and bachelor households, the demand for home appliances has exponentially increased and will continue to do so.

Pricing is competitive. Local makers supply most of the fans and LED lighting segments, while imported components still matter in backup power and controls. What sells now are low-watt, high-air-delivery fans, long-life LED bulbs/tubes, and reliable IPS/UPS sized for a few lights, fans, a router, and a point-of-sale device.

Smart features are slowly coming in—Wi-Fi/app control, timers, basic energy read-outs—but the main trigger remains lower electricity use and fewer interruptions. As more households add to the current demographics, the more it will increase the demand of the products.



Local Brands

International Brands



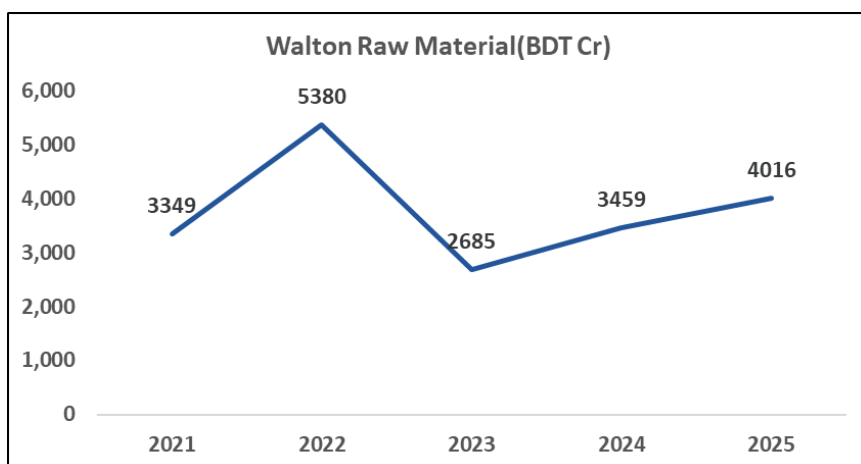
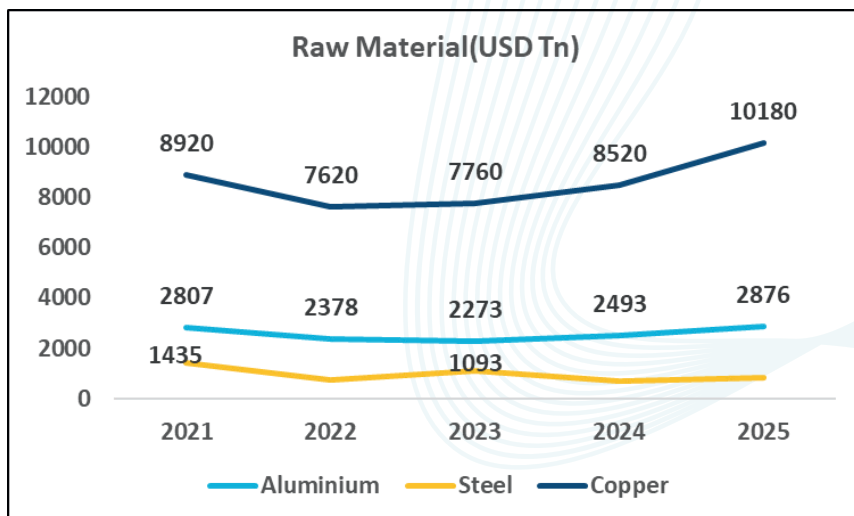
PHILIPS



Raw Materials

Raw material costs in appliance manufacturing are tightly linked to global commodity prices—especially steel, copper, and aluminium, which are essential inputs across categories.

Materials	Uses
Copper	Wiring, compressors, and cooling coils
Aluminum	Fins, structural supports, and lightweight panels
Steel	Body frames, doors, and internal chassis



For most years, Walton’s raw material costs have moved in line with global trends, rising and falling with the price of these key commodities. As a result, tracking global material prices gives a useful signal for where the production costs of consumer durables might head next—particularly for categories like refrigerators and air conditioners where raw material intensity is high.

We can see this clearly in 2024 and 2025, where the price of acquiring raw materials increased again, driven by a combination of global supply chain pressures, metal price rebounds, and import cost escalations. This continued the broader pattern of input-cost sensitivity across the industry, especially for players heavily reliant on external supply sources.

²⁵ <https://tradingeconomics.com/commodities>

²⁶ <https://www.waltonplc.com/investors/investor-info?tab=annual-report>

However, 2021–2022 was an exception.

That year, Walton undertook a major capital expansion, bringing compressor manufacturing in-house. Compressors are among the most value-dense components in refrigerators and ACs, and localising this part of the production chain meant large one-time investments in equipment, tooling, and raw stock.

So even though global raw material prices had started to soften, Walton’s material costs went up, reflecting the internal buildout of its component capacity.

This wasn’t cost inflation from the market—it was a strategic cost tied to vertical integration. Adding compressors into the domestic production flow gave Walton more control over input sourcing, reduced import reliance, and laid the groundwork for stronger cost stability going forward.



Walton- A Sustainable Brand



Walton Hi-Tech Industries PLC (WALTONHIL) designs, manufactures and sells refrigerators/freezers, ACs, TVs and small/home appliances, supported by in-house electronics and component lines (e.g., PCBA) and a nationwide sales & service footprint. Governance is anchored by an 11-member Board (3 independent directors) with specialized sub-committees including Audit, NRC, CSR, Marketing, Treasury and Risk; paid-up capital stands at BDT 3,029,283,430 with 13,754 shareholders as of 30 June 2025.

Investment Positives

a. Market leadership in core white goods

Walton is a long-standing market leader in refrigerators and a top domestic brand in air conditioners (ACs), backed by local manufacturing scale, deep festival-driven sales cycles, and a wide-reaching retail and service network across all 64 districts. The company's consistent volume strength in refrigeration has helped anchor its white goods dominance, while its position in ACs is now increasingly important as demand rises with urban heat, electrification, and institutional adoption.



Notably, Walton's AC manufacturing unit has operated near or above full capacity over the last two years—reporting 117% utilization in FY24 and 95% in FY25. The excess demand was partially fulfilled by leveraging spare capacity from other units, particularly during seasonal peaks. This signals both strong category growth and a pressing need for dedicated capacity expansion. If Walton can scale production in time and meet growing demand without disruptions, it stands to capture an even larger share of the domestic cooling segment.

²⁷ <https://www.waltonplc.com/investors/investor-info?tab=annual-report>

b. Export optionality with FX hedge

Walton has a well-established export track record, initially led by TVs and refrigerators, and now diversified across product lines and regions.

THE BRAND HAS EXPANDED TO NEARLY 40 COUNTRIES, REACHING DESTINATIONS IN EUROPE, NORTH AMERICA, THE MIDDLE EAST, AND ASIA.

With local component manufacturing (e.g., compressors, PCBAs, moulds), Walton benefits from low-cost, high-control production, making its exports competitive in price-sensitive global markets.

This export base provides valuable foreign currency earnings, which acts as a natural hedge against taka depreciation and helps balance revenue during slower domestic cycles. Combined with government export incentives and the company's high-tech park tax advantages, exports remain a strategic growth lever.

Investment Negatives

a. Margin pressure from input cost and currency volatility

Walton relies on a mix of locally produced and imported components, but still remains exposed to global raw material price fluctuations and taka depreciation.

Key inputs like steel, copper, and aluminium make up a significant portion of manufacturing cost, and with ~25–30% of components still imported, any FX volatility directly impacts cost of goods sold. While vertical integration has helped reduce dependency, recent years (2024 and 2025) have still seen rising raw material acquisition costs, due both to global price firming and residual import reliance.

b. Export dependency on government incentives

Walton's export success is supported by various government subsidies, duty drawbacks, and tax incentives tied to its Hi-Tech Park status. While these programs lower effective tax rates and improve margins, any policy change or subsidy revision could affect export competitiveness and net earnings.

Current Financials

Moreover, geopolitical risks and non-tariff barriers in overseas markets could limit further expansion or create delays in market entry.

c. Premium brand challenge in urban segments

Although Walton dominates in mid and entry tiers, its premium positioning in urban upper-middle-class segments remains limited, especially against foreign players like Samsung, LG, or Daikin. Competing in this segment requires sustained R&D, advanced design, and brand perception upgrades, which can be capex and marketing-intensive. Urban buyers often prioritize global brands in large-screen TVs or side-by-side refrigerators, which could cap upside potential unless brand repositioning gains traction.

d. Rising working capital needs and receivables cycle

As Walton expands further into EMI-driven and channel-credit markets, its receivables and working capital cycle have widened. The annual report shows a notable rise in trade receivables, which may weigh on short-term liquidity. Managing this without compromising dealer support will be key to maintaining financial health and funding capex from internal cash flow.

Growth	Walton				
	2021	2022	2023	2024	2025
Revenue Growth		16.77%	-18.74%	13.18%	-5.72%
Gross Profit Growth		0.38%	-12.00%	32.57%	-1.44%
PBT Growth		-30.67%	-17.79%	-35.94%	-23.28%
PAT Growth		-25.78%	-35.67%	75.74%	-24.84%
ROE	17.37%	12.00%	7.52%	11.97%	8.54%
ROA	12.54%	7.74%	5.36%	8.75%	6.56%

Table: Walton's Financial Growth

Margin	Walton				
	2021	2022	2023	2024	2025
GP Margin	37.79%	43.40%	39.15%	29.79%	26.65%
EBITDA Margin	27.66%	21.24%	23.46%	28.30%	24.30%
EBIT Margin	27.66%	21.24%	23.46%	25.02%	21.67%
PBT Margin	25.45%	15.11%	11.86%	18.36%	16.37%
PAT Margin	23.43%	14.89%	11.79%	18.31%	16.31%
OPEX/Revenue	10.13%	11.24%	11.73%	12.91%	13.14%

Table: Walton's Profitability Margin

²⁷ <https://www.waltonplc.com/investors/investor-info?tab=annual-report>

Coverage	Walton				
	2021	2022	2023	2024	2025
EBITDA/Interest Expense	4.9	15.53	3.66	2.07	4.63
Debt/EBITDA	2.23	1.36	2.54	1.66	1.12

Table: Walton's Debt Coverage Ratios

Efficiency	Walton				
	2021	2022	2023	2024	2025
Receivables turnover in days	114.45	107.83	199.06	124.26	117.28
Payables turnover in days	188.58	158.05	361.91	199.14	152.12
Inventory turnover in days	157.45	193.19	199.65	262.03	213.87
Cash Conversion Cycle	83.32	142.97	36.79	187.15	179.03
Asset turnover Ratio	60.29%	62.47%	42.21%	51.47%	51.82%

Table: Walton's Turnover Ratios

Singer- A Resilient Brand

SINGER

Singer Bangladesh Limited (SINGERBD) is one of the oldest and most recognized names in Bangladesh’s consumer durables space, selling refrigerators, TVs, air conditioners, washing machines, sewing machines, and other home appliances. With ownership by Arçelik A.Ş.—the Turkish parent company of global white goods brand Beko—Singer gains access to international design, R&D, and supply chain capability. The company operates through a hybrid model of direct retail showrooms, dealer networks, and EMI schemes, giving it unmatched penetration in urban, semi-urban, and rural regions. As of 31 December 2024, Singer reported 226,842 shareholders and a paid-up capital of BDT 999.4 million.

Investment Positives

a. Global parentage with local production shift and reduced tax.

Singer is majority-owned by Arçelik/Beko, a global appliance powerhouse. This brings with it modern manufacturing know-how, innovation capabilities, and robust quality systems.

Historically, Singer relied heavily on imported finished goods, which attracted high taxes and duties and limited price flexibility.

However, with Beko’s recent investment in a local manufacturing facility, Singer is now transitioning toward localized assembly and production. This move is expected to significantly reduce cost of goods, shorten delivery cycles, and enhance retail price competitiveness in high-volume categories like refrigerators and washing machines.

In parallel, Singer stands to benefit from a range of tax incentives and deductions tied to Bangladesh’s import substitution and industrial development policies. These include reduced VAT on locally produced appliances, duty exemptions on imported raw materials, and corporate tax rebates for manufacturing entities. Over time, these policy tailwinds can improve gross margins, support aggressive retail pricing, and create a long-term structural cost advantage over fully import-dependent competitors.



²⁸ <https://www.singerbd.com/investor-relations/annual-reports>

Investment Negatives

b. Retail depth and rural reach

Singer boasts one of the most expansive retail networks in Bangladesh, with over 400 outlets nationwide, often located in tier-2 and tier-3 districts. This showroom-first model, backed by installment sales, credit access, and service hubs, provides a moat against both foreign brands and new domestic entrants. Its on-ground visibility and brand trust—built over decades—make it especially strong in first-time appliance adoption markets.

c. Product diversity with Beko-backed innovation

Singer's product range spans over 600 SKUs, covering refrigerators, TVs, washing machines, and smaller household appliances. With technical and design support from Beko, the company has begun introducing energy-efficient, inverter-based, and smart-home-enabled appliances to stay competitive with evolving consumer demand. This innovation push also aligns Singer with shifting preferences toward eco-friendly and feature-rich home solutions, reinforcing its long-term growth potential.

a. Leverage overhang and delayed profitability

An analysis of Singer's FY2024 financials reveals a notable debt burden and continued losses, driven by higher borrowing costs, operating expenses, and FX fluctuations. The company holds substantial short-term and long-term loans, and its interest coverage ratio remains weak. As a result, Singer will likely need time to return to consistent profitability, particularly as it navigates the financial transition from import-heavy operations to domestic manufacturing. The success of this shift will largely determine the pace of its earnings recovery.

b. Margin compression during transition

Until local manufacturing fully ramps up, Singer continues to face high landed costs due to import duties, freight, and FX devaluation. The shift to domestic production will take time to reflect in financials, during which gross margins may stay under pressure. Coupled with ongoing overhead from its large retail footprint and credit operations, near-term profitability may remain fragile.

Current Financials

Growth	Singer				
	2020	2021	2022	2023	2024
Revenue Growth		5.70%	8.10%	-0.40%	9.50%
GP Growth		-2.50%	24.00%	1.00%	14.20%
PBT Growth		-56.80%	-17.80%	-35.90%	-23.30%
PAT Growth		-90.90%	614.10%	-193.70%	293.40%
ROE	23.30%	2.20%	17.50%	-14.40%	-74.80%
ROA	8.10%	0.60%	3.40%	-2.50%	-6.00%

Table: Singer's Financial Growth

Margin	Singer				
	2020	2021	2022	2023	2024
GP Margin	26.50%	43.40%	39.10%	29.80%	26.70%
EBITDA Margin	10.80%	8.80%	12.20%	8.70%	4.90%
EBIT Margin	8.20%	5.50%	8.70%	5.30%	0.70%
PBT Margin	5.50%	2.20%	4.90%	-2.20%	-9.50%
PAT Margin	3.30%	0.40%	3.10%	-2.60%	-9.50%
OPEX/Revenue	16.10%	16.20%	18.60%	19.90%	25.00%

Table: Singer's Profitability Margin

²⁹ <https://www.singerbd.com/investor-relations/annual-reports>

Coverage	Singer				
	2020	2021	2022	2023	2024
EBITDA/Interest Expense	0.48	0.54	0.75	1.02	1.38
Debt/EBITDA	18.16	12.16	9.28	7.11	5.51

Table: Singer's Debt Coverage Ratios

Efficiency	Singer				
	2020	2021	2022	2023	2024
Receivables turnover in days	89.66	122.75	125.9	102.88	169.89
Payables turnover in days	50.62	130.31	178.06	219.51	303.62
Inventory turnover in days	63.92	151.31	163.08	169.82	197.39
Cash Conversion Cycle	102.96	143.75	110.93	53.19	63.65
Asset turnover Ratio	159.52%	133.60%	111.79%	95.86%	62.59%

Table: Singer's Turnover Ratios

Comparison of Walton & Singer

Walton remains structurally stronger across all key dimensions—profitability, margin stability, operational efficiency, and financial discipline. Its long-standing dominance in refrigeration and growing share in ACs are backed by deep local manufacturing capabilities and a well-integrated supply chain. Vertical integration allows Walton to control cost, scale efficiently, and respond quickly to shifts in consumer demand or input prices. Its export reach further enhances resilience by diversifying revenue beyond domestic cycles.

Singer, while supported by a globally recognized parent (Beko), is still navigating a transition. The shift toward local manufacturing is promising, but its impact has yet to reflect in performance. High leverage, fragile margins, and dependence on imported components have constrained its flexibility. While Singer's retail presence and brand recognition remain assets, its financial structure and ongoing losses mean any recovery will depend on flawless execution and favorable market conditions.

In sum, Walton stands out as a well-positioned, operationally mature company with a proven model. Singer, by contrast, presents a turnaround story that is still taking shape—with potential upside, but elevated risk in the near term.

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Data Source: Bangladesh Bank, Dhaka Stock Exchange, Bangladesh Securities and Exchange Commission, Ministry of Finance, ERD, EPB, BPDB, BBS, World Bank, Company's Annual Report, The Daily Star, The New Age, The Financial Express and The Business Standard.

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