

# Current Status of Tourism Industry In Bangladesh: An Empirical Evaluation

**Dr. Jannat Ara Parveen**

Department of Finance and Banking  
Faculty of Business Administration  
University of Chittagong, Bangladesh  
Email: parveenara.1966@yahoo.com

**Abstract-** For many developing countries, in particular the Least Developed Countries (LDCs) tourism is considered to be the one of the fundamental pillars of their economic development. But despite having many prospects, this industry in Bangladesh remains neglected for a long time and the share of Bangladesh in world tourism is very poor. This research mainly highlights the current position of tourism industry, its contribution to the economic development and share of Bangladesh tourism as per SAARC\* comparison. The study mainly examines current growth and development of this industry and also examines some limitations and challenges of the said industry. Finally, some policy measures have been included as opined by the respondents (service providing organizations and tourists) to resolve its existing barriers as claimed by the aforesaid respondents. It is hopeful that the findings of this research may be considered by the government policy makers and private sector (investors) while formulating their policies for the future development and expansion of tourism industry in Bangladesh.

**Index Terms—** Bangladesh Tourism, SAARC Tourism, Tourism Products, Bangladesh Parjaton Corporation, Domestic and Foreign Tourists and Institutional Facilities.

\* SAARC- South Asian Association for Regional cooperation

## I. INTRODUCTION

Over recent decades, the travel and tourism (T&T) sector has increasingly become an important driver of economic prosperity and social progress. It stimulates growth through jobs and enterprise creation, and provides significant foreign exchange revenues for many countries. The sector generates opportunities for reducing poverty and inequality, preserving natural and cultural heritage, and upgrading infrastructure<sup>i</sup>. As per World Travel and Tourism Council Annual Updates, travel & tourism's direct contribution to world GDP and employment in 2012 was US\$ 2.1 trillion (2012 prices) and 101 million jobs<sup>ii</sup>. This continued growth in tourism business through out the world is encouraging and nations are becoming more concern to attract more tourists to their own destinations and trying to promoting this sector as a major source for the economic development of the nation (Ibid).

The exceptional growth of tourism over the last 50 years is one of the most remarkable economic and social phenomena of the 21<sup>st</sup> century<sup>iii</sup>. While travel was once an uncertain and hazardous event but it is now an easily planned and coordinated adventure that has been revolutionized since middle of last century by vast improvements in transportation in general and air transportation in particular, computer technology, and networks of international communication. Tourism offers the opportunity of providing jobs for different classes of people and thereby contributing to the alleviation of poverty in developing countries. Tourism generates jobs directly through hotels, restaurants, taxis, souvenir sales and indirectly through the supply of goods and services needed by tourism-related businesses. The growing importance of Travel & Tourism in the global economy will mean that by 2023, Travel & Tourism's total contribution will account for 10.0% of GDP and 1 in 10 jobs. Total Travel & Tourism employment is forecast to increase by over 70 million jobs over the next decade, with two-thirds of the additional jobs in Asia<sup>iv</sup>. Besides, The World Travel and Tourism Council (WTTC) and UNWTO reports say that international arrivals have been positive in 2012, although in the Euro Zone, due to sovereign debt issues and national austerity policies, tourism spending has declined. The pace of growth in the developing countries, including Bangladesh, is faster than in developed nations. Asia will continue to lead growth of the global Travel & Tourism industry over the next decade, with annual average growth of over 6%. Asia's growth will be driven by increasing wealth among its middle classes<sup>v</sup>. Bangladesh is located conveniently on the east-west air-corridor making it a gateway to the Far East. It is endowed with resources and the potential for a tourism industry. Also, in Bangladesh, there are some beautiful and ancient sanctuaries (holly places) which have special appeal to attract tourists in Bangladesh. Visitors from the Middle East, Pakistan, India, Korea, Thailand and Japan can be attracted to the historically important sanctuaries like mosque, shrines, tombs, temples, churches and Buddhist monasteries<sup>vi</sup>.

However, Bangladesh's tourism sector still has remained largely untapped, although the country is home to the world's largest Mangrove Forest, the Sundarbans and the world's longest sea beach, the Cox's Bazar, the Royal Bengal Tiger, the beautiful hills in

Rangamati, the exotic tea gardens in Sylhet, and this is just to name a few attractions. Bangladesh has tremendous potential for becoming an international tourist hotspot but in reality, that is not exactly the case. Due to the under-developed sector of tourism, Bangladesh is missing out on huge amounts of revenue every year<sup>vii</sup>.

## 1.2. Rationale of the Study

Tourism has become one of the major players in international commerce, and represents at the same time one of the main income sources for many developing countries. This growth goes hand in hand with an increasing diversification and competition among destinations.<sup>viii</sup> In Bangladesh the direct contribution of Travel & Tourism to GDP was BDT 193.0bn (2.1% of total GDP) in 2012, and is forecast to rise by 7.7% in 2013, and to rise by 6.4% pa, from 2013-2023, to BDT 384.7bn in 2023 (in constant 2012 prices). However, over the last twenty years, the tourism sector in Bangladesh has not made enough progress. The lack of infrastructure and promotional activities through media are the main reason behind it<sup>ix</sup>. Compared to the past two decades, recently the government and private companies have invested more money for the development of tourism sector. According to Bangladesh Parjatan Corporation (BPC<sup>x</sup>) report in 2007, the government of Bangladesh promised to spend around Tk. 5.7 billion (\$ 81.1 million) for the tourism sector, which is 2.1% of the total government expenditure. In 2012, government also committed to spend 50 crore taka for the development of this sector<sup>xi</sup>. Hossain, in a study (2006) revealed that Bangladesh has a positive trend in arrivals and earnings and it can be increased to a significant level if the country can undertake appropriate promotion measures by increasing the allocation for this purpose. The country also needs to employ creative people for this purpose and the quality of the promotional materials also needs to be developed. The promotional activities should also be directed in correcting the present image towards Bangladesh as tourists' destination. By ensuring these measures, Bangladesh tourism industry can emerge as one of the major contributors to the national economy of Bangladesh. Henderson (2011) in his research on Philippine highlighted that improper arrangement of infrastructure of a country seems to perceive negatively by the international visitors to choose a destination. He also highlighted about other factors that almost influence on inbound and outbound tourist to travel like political instability, security and safety<sup>xii</sup>.

As per previous initiative, Bangladesh National Tourism Council started in 2008, and continues in 2010. During the years, several initiatives such as revamping the Tourism Policy, the formation of the Bangladesh Parjatan Board and the National Tourism Council were started, but the actual changes on the ground were slow and stakeholders were often at cross purposes. The new board still remains under the Ministry of Civil Aviation and not a separate tourism ministry. Meanwhile, the private sector continued to formulate its own strategies, resulting in uncoordinated attempts to attract tourism<sup>xiii</sup>. The contribution of tourism to economic well-being depends on the quality and the revenues of the tourism offer. UNWTO assists destinations in their sustainable positioning in ever more complex national and international markets. As the UN agency dedicated to tourism, UNWTO points out that particularly developing countries stand to benefit from sustainable tourism and acts to help make this a reality<sup>xiv</sup>.

The relationship between exports, tourism and economic growth is still ongoing<sup>xv</sup>. Bangladesh is a large deficit economy country. In case of a deficit economy, that typically represents an import oriented structure is expected to spend more on imports to support its activities than what it earns through export. In recent years there has been an increase of interest in the role of tourism for growth and development for developing countries economy and Bangladesh has been focused on its economic policies to promote international tourism as a potential source of economic growth<sup>xvi</sup>. Though, tourism industry and its market have grown phenomenally worldwide, this industry and its market have not grown in Bangladesh as per its potentials. Lack of proper/sufficient promotion is one of the major reasons not for developing the industry in Bangladesh up to the mark. Because, potential tourists need to know properly about the attractions, services, facilities, etc. at the destinations and accessibility to there through various forms of promotional measures. Besides, the expansion of tourism business and the increased competition among destination countries throughout the world have necessitated developing appropriate promotional approaches by the tourism firms worldwide. Infact, tourism in Bangladesh is becoming an emerging issue both for the public and private sector to establish their eligibility for accomplishing a successful business as well as marketing activities development<sup>xvii</sup>. The participation of the private sector in this industry is not remarkable and even most of the private tour operators are new in this area. They also have the resource constraint to play the active role for the development of this industry. The effective steps to encourage the private sector investment from the local as well as from the foreign investor's, public private partnership (PPP) investment can contribute a lot to develop the industry in Bangladesh.

Bangladesh also lacks the infrastructural facilities to the standard of international levels to its destination places. This important issue needs to be considered immediately and in the priority basis before going to promoting the same sector in order to develop the industry. It is one of the important means of foreign exchange earning and also contributing to correct negative balance of payment. But the share of Bangladesh in the world tourism is very poor and share of this sector to GDP growth is less than 1 percent<sup>xviii</sup>. Japan has a national objective of having 10 million departures a year and almost 80% Japanese travelers travel for pleasure and holidays. But Bangladesh failed to attract this potential market even though Bangladesh has various excellent tourist products - the Buddhist Stupas and Monasteries--the main tourist attraction for Japanese tourists<sup>xix</sup>. So, it is crystal clear that despite of having many tourism prospects and products, the tourism sector in Bangladesh remains neglected for a long time. In global context as well as SAARC comparison, Bangladesh's share is very disappointing. In the above context, this study is an attempt by the researcher to evaluate present trend, condition and prospects of tourism industry which can contribute a lot to flourish the economy of the

country. Besides, this study also examines the problems existed in the said industry, that create great hindrance in the flow of worldwide potential tourists', income from tourism and expanding economic development in Bangladesh.

### 1.3. Objective of the Study

The main objective of this research is to critically examine the current trend, prospects and problems of tourism industry in Bangladesh. In this context, to have a proper and clear idea about the issue, the study covers the following aspects :

- 1) To analyze present scenario of tourism industry in Bangladesh;
- 2) To examine the share and contribution of Bangladesh tourism industry in SAARC Comparison;
- 3) To evaluate various prospects of tourism and existing promotional facilities for the development of the said industry; and
- 4) To examine various problems and challenges, which hinders the rapid expansion and development of this industry, and some policy implication to overcome the aforesaid issues.

### 1.4. Study Methodology

The present study is a combination of both theoretical and empirical one and has been limited to Cox's Bazar of Chittagong - the tourists' capital of Bangladesh. Among various important tourists spots in the country, the Cox's Bazar, Chittagong has been chosen by the researcher through random sampling technique. Both primary and secondary data have been used in this research. For getting primary data, especially privately owned service providing organizations (hotels / motels) and both local and foreign tourists have been selected for interview with a pre-designed questionnaire. A sample of twenty (20) hotels / motels (From Chittagong city and Cox's Bazar) and fifty (50) tourists' (domestic and foreign ) from Cox's Bazar spot have been selected randomly and interviewed in this purpose. Two sets of questionnaires have been designed for study purpose. One for the tourists' and other one for the service providing organization (tour operators, hotel manager / owner). The questionnaire for tourists also have been translated into Bengali for domestic as well as local tourists.

The sources of secondary data and information includes : Report of Bangladesh Parjaton Corporation (BPC), The Statistical Year Books, The World Travel and Tourism Council (WTTC) and UNWTO- 2013, WTO- World Tourism Organization (WTO), Report, 2012, The ASEAN Travel & Tourism Competitiveness Report, 2013, Bangladesh Travel and Tourism Economic Impact Report, 2013, Travel and Tourism in Bangladesh, Country Report, 2011, Bangladesh Bank, the concerned Ministry and published thesis, books, journal, daily newspapers and websites etc. For getting theoretical foundation of the study, the existing literatures and web site documents were investigated and analyzed.

### 1.5 Measurement Techniques

To analyse the collected data, different quantitative and qualitative measures have been applied in the study. In quantitative analysis of the data, conventional statistical tools like ratio, percentage, simple averages charts and graphs have been used to analyze the relevant data and information. In order to measure qualitative responses, such as: opinion, reactions, attitude etc. the qualitative scale has been converted to quantitative one by using Likert's Five-Point Rating Scales ranging from Very Important (VI) to Very Un Important (VUI). The Weights have chosen for VI (Very Important) = 5, I (Important) = 4, N ( Not So Important) = 3, UI (Un Important) = 2, and VUI (Very Un Important) = 1. The implication of the instrument is that the higher the score, the greater is the extent of concern issue playing important role in the tourism industry's growth and development in Bangladesh.

## II. STUDY FINDINGS AND DISCUSSIONS

The study results have been analyzed and discussed under the following captions according to the objectives of the research.

### 2.1 Present Scenario of Tourism Industry in Bangladesh

During the last five years (2006-2010) Bangladesh received a total number of 15,29,000 visitors and earned US\$ 413.00 million. Besides, WTTC data showed that in 2011, travel and tourism directly supported 1,329,000 jobs (1.9 percent of total employment in Bangladesh. This is expected to rise by 3.6 percent in 2012 and 2.9 percent a year to create 1,840,000 jobs (2% of total employment) in 2022<sup>xx</sup>. The country is trying from the inception of this industry to attracting more tourists to its destinations and to earn more foreign currency from this sector. The statistics on this industry shows that both the arrivals and earnings from tourism in Bangladesh have increased over the past.

#### 2.1.1 Current Trend of International Tourists and Income from Tourism

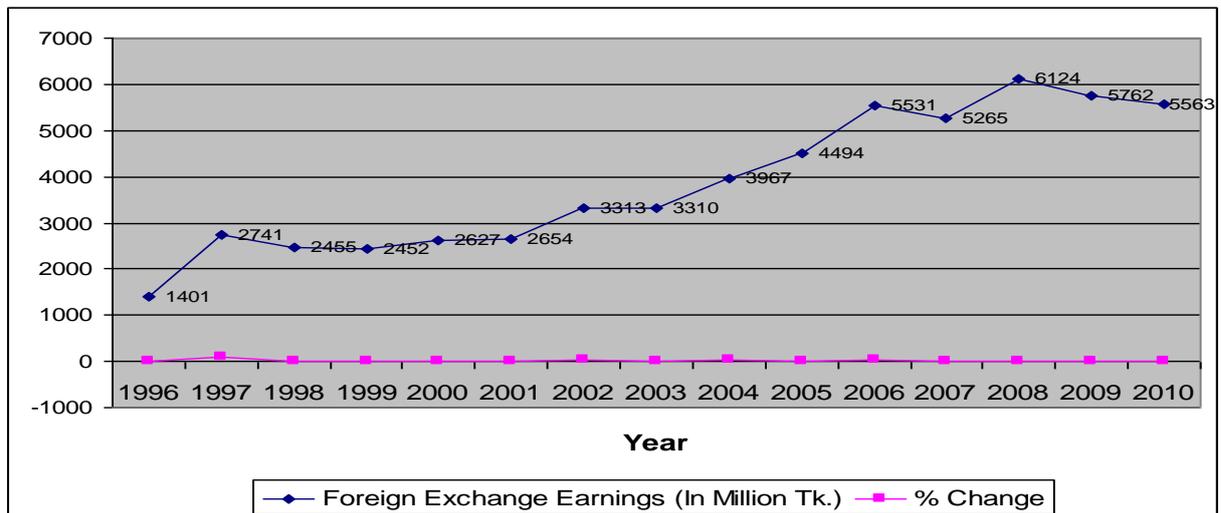
The statistics collected on tourism industry show that both the arrivals and earnings from tourism in Bangladesh have increased over the past. However, statistically it may reflect an impressive profile but in a true sense the picture is somewhat different. In terms of global increasing trend in both the number of tourist arrivals and the earnings from tourism, the same in Bangladesh is very insignificant. The following *chart-1 and 2* show Bangladesh's share of income from tourism.

**Chart-1 : InternationTourists Arrivals in Bangladesh since 1996-2010**



Source : Table —1, in appendix-1.

**Chart-2 : Income from Bangladesh Tourism industry since 1996-2010**



Source: Table—1 in appendix-1

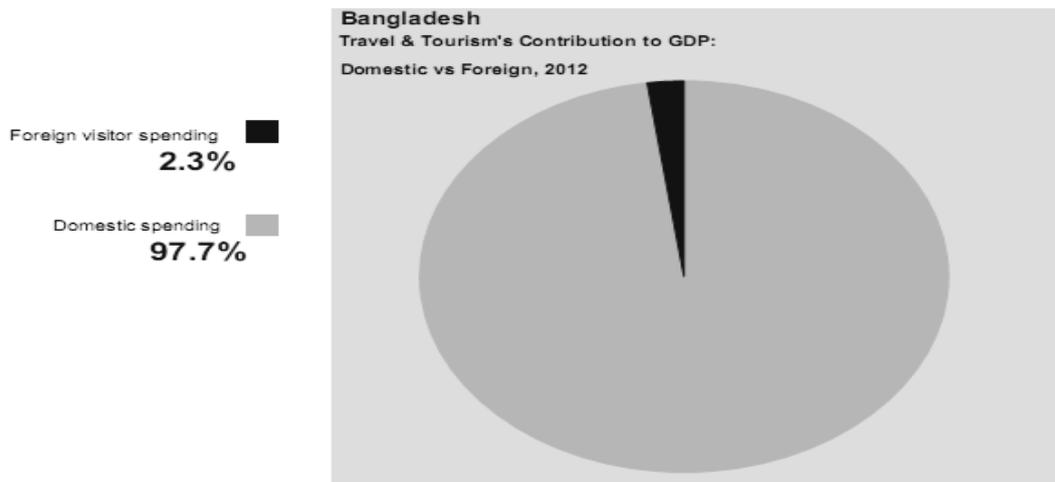
The above charts reveal on an average an increasing trend over the years (1996-2010) in case of both foreign exchange earnings and tourists arrivals in Bangladesh. From the year 1996- 1997, the trend is seen very outstanding and from the year 2000 -2006 more or less gradually increasing trend has been seen. A bit decreasing trend is seen in the years 2007. From the year 2008, this industry booms again with an outstanding trend except the year 2009. This declining trend could be due to some political unrests, especially BDR murder, share market down turn etc. at that time in the country. However, over the study periods, the overall trend shows significant picture for country. So, for Bangladesh, it could be a matter of great opportunity to develop its tourism sector, which unfortunately has been at low ebb and could not be any significant contributory sector for its national development compared to other SAARC countries like India, Srilanka, Pakistan etc.,

Tourism industries development may be an important instrument for economic advancement for Bangladesh, if necessary initiatives are taken. For overall sustainable development of Bangladesh, tourism comprises as one of the key development components. A strategic Master Plan has also been formulated by the World Tourism Organization with the assistance of UNDP for integrated development of tourism in the country.

### 2.1.2 Current Status of Domestic Tourism

Bangladesh is a young destination in the world tourism map. Despite slow growth, the Bangladesh tourism sector is currently poised to be moderately sized. At present, the potential of tourism has been recognised and efforts are underway to reflect that in the development policies and programmes. Bangladesh witnessed an average growth in the number of tourists by 15 percent in 2006-2010. The present size of domestic tourism is also increasing, reaching about 5 million. In the last year about 1.5 million tourists (5 percent international tourists) visited Cox's Bazar<sup>xxi</sup> With gradual development of the industry, a modest tangible benefit cascades down to the local people. Local communities are coming forward with their products and are now able to earn some money for their livelihoods. Private sectors enterprises are also coming up with hotels, motels and restaurants, benefitting locals with jobs. The foreign and domestic tourists generate income of about Tk 100 billion, inclusive of direct and indirect support services like hotels, resorts, restaurants, transportation and entertainment. The government also has plans to create more facilities in different areas so that the locals get priority in selling handicrafts, poultry, meat, fish and vegetables (Ibid). The following Chart-3 shows share of domestic tourism in GDP compared to foreign / international tourism's contribution.

**Chart-3: Share of Bangladesh Tourism Industry to GDP**



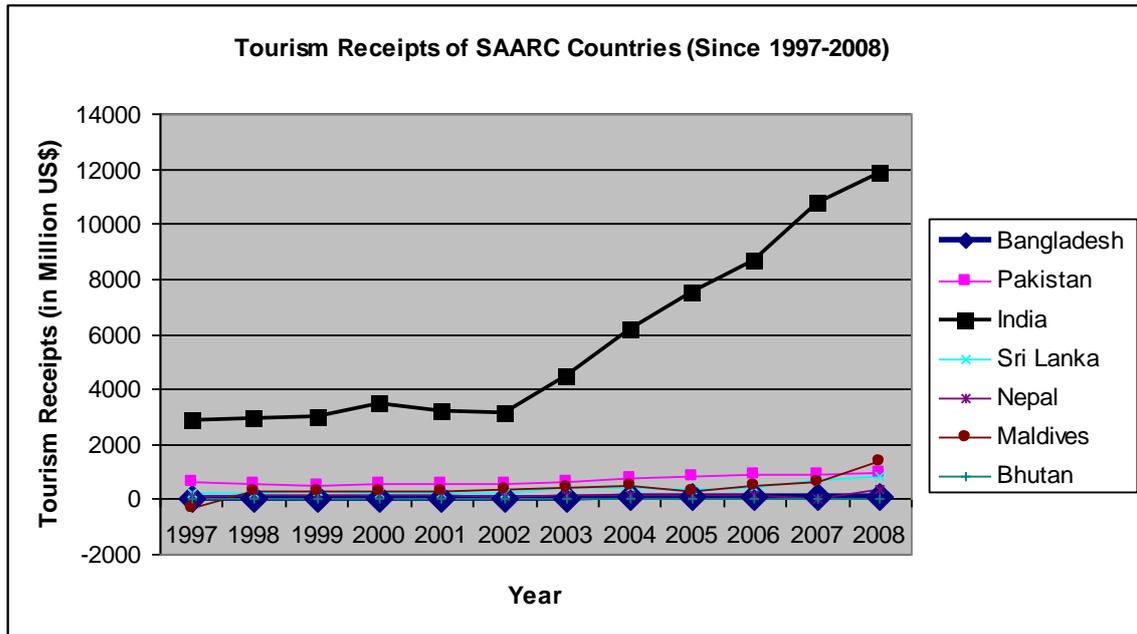
Source: WTTC, 2013

It is apparent from the above chart-3 that share of domestic tourism to country's GDP is 97.7% and foreign visitors share is 2.3%. Also, according to the report of World Travel and Tourism Council (WTTC), 2013, the direct contribution of Bangladesh travel and tourism to its economy in 2011 was Tk 182.5 billion (2.2 percent of total GDP), and forecasted to rise by 7.3 percent in 2012. In addition, it is expected to rise by 6.1 percent a year till 2022 to Tk 353.7 billion (in constant 2011 prices). So, tourism in Bangladesh probably the most potential sector for the small and medium enterprises to create new empowerment opportunities and government has to act as the facilitator rather than regulator. Supportive government policies would help generate in-bound tourism to help expand the activities in the sector.

### 2.2 Share of Bangladesh Tourism Industry in SAARC Comparison

In comparison with SAARC countries statistics, Bangladesh's share from tourism is very insignificant (See Charts 3 & 4) in terms of both tourists' arrival and income from this industry. The following chart-3 shows Bangladesh's share of income from tourism in the SAARC countries.

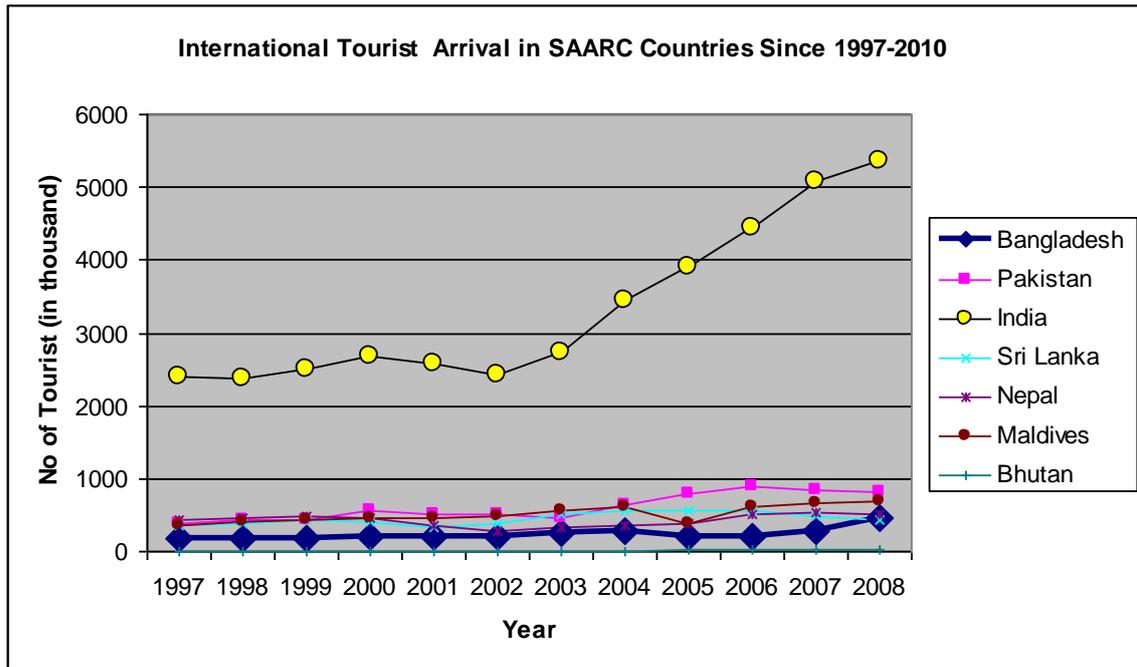
**Chart-3: Receipts / Income from Tourism of SAARC Countries (1997-2005).**



Source: Table-2 in Appendix-I.

It is apparent from Chart —3 that earnings from tourism in Bangladesh is very dissapointing. The chart also reveals that India occupies first position. As one of the important and rising developing countries, Bangladesh’s position is seen after Nepal, Maldives, Sri Lanka, and Pakistan. There is continuous political unrest, terrorists attack, bomb exploitation in Pakistan, Srilanka and even in India, but their tourism industry has been continuously flourishing and contributes a significant share to country’s GDP<sup>xxii</sup>. Bangladesh has huge potentials of tourism products, but these are not developed according to the demand of international tourists. For this reason, Bangladesh cannot reach to its goal in spite of its various potentials and products.

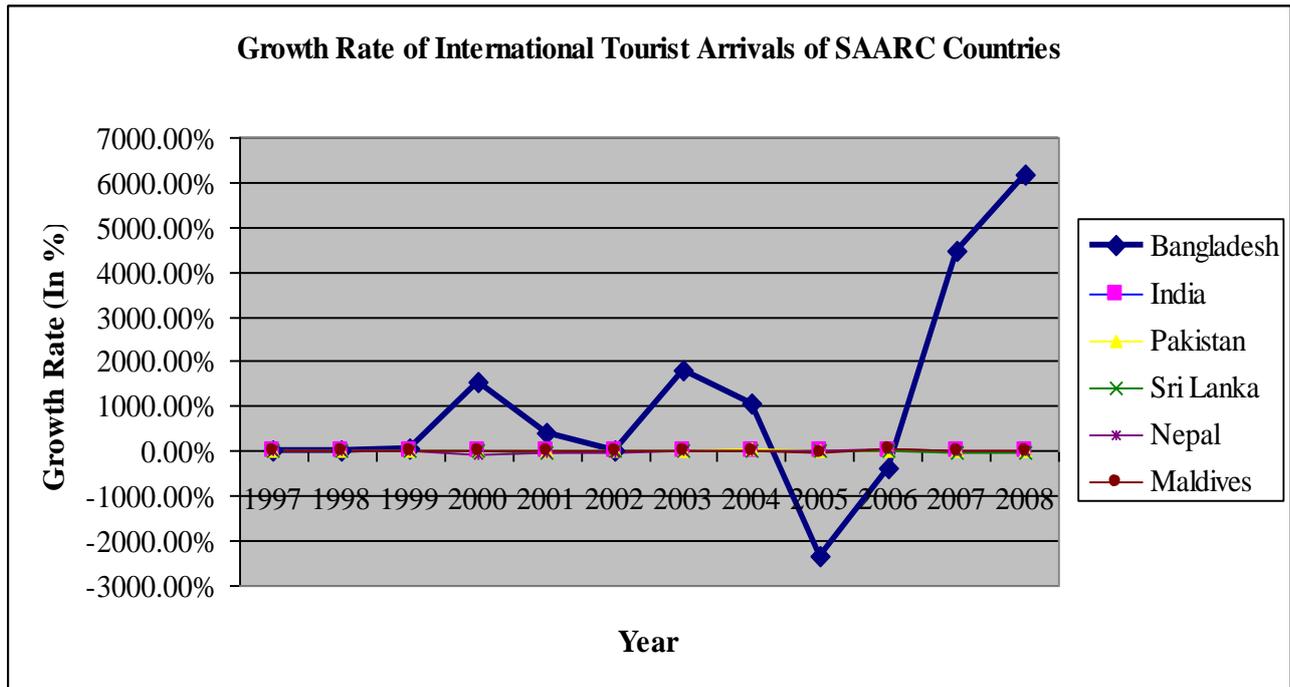
**Chart-4: International Tourists Arrivals in SAARC Countries from 1997-2008.**



Source : Table in appendix-I

From the above **Chart —4**, it is also clear that in case of tourist arrivals, Bangladesh’s position is very gloomy compared to the position of other SAARC countries. In this regard, India holds first position; second Nepal, third Pakistan fourth Sri Lanka and so on. Due to twin- tower destruction in September 11, 2001, a decreasing trend of tourists is seen in case of most of the countries of the world. But the tourist flow maintained its healthy magnitude in the Asian region though the Afghanistan war and tension between Pakistan and India. Now, it is a right time that Government and other concerned authorities can consider this burning issue in an urgent basis to boost the economic development of the country. However, the below Chart-5 depicts the growth rate of international tourists arrivals in SAARC countries over the years.

**Chart-5: Growth Rate of International Tourists Arrivals in SAARC Countries from 1997-2008.**



Source: Table -3, in Appendix-1

The above chart presents the growth rate of international tourists arrivals in SAARC countries since 1997-2008. In this regard, statistics stated in the previous *Chart —4* shows that tourist arrivals in Bangladesh is very poor compared to the position of other SAARC countries and India holds the highest position. But, in growth rate comparison among SAARC countries, Bangladesh's holds the highest position. So, it is a great opportunity for Bangladesh to reap this benefit, develop this industry as per global competition and making this industry as an important destination world-wide. It is stated in the earlier section that the country is known as an important tourist destination in South Asian countries. Yet, the country fails to attract huge potential tourists from home and abroad due to its inadequate infrastructure facilities, social security, corruption and terrorism, and very weak law and order situation etc. Although, the number of tourist arrivals in Bangladesh shows an increasing trend over the years (*See Chart-3*), still Bangladesh has not been able to reap the full benefits in the tourism industry up to the desired level according to its potentiality and importance.

### 2.3 Contribution of Tourism industry in Bangladesh Economy

Bangladesh has many types of products to attract international and domestic tourists (please see appendix -3). Tourism in Bangladesh is a slowly developing foreign currency earner. [Bangladesh's](#) tourist attractions include archaeological sites, historical mosques and monuments, resorts, beaches, picnic spots, forests and tribal people, wildlife of various species. Bangladesh offers ample opportunities to tourists for angling, water skiing, river cruising, hiking, rowing, yachting, [sea bathing](#) as well as bringing one in close touch with pristine nature<sup>xxiii</sup>. According to the statistics of the country's National Tourism Authority (NTA), a total of 349,837 foreign tourists visited Bangladesh in 2008, which was about 21 percent higher than that in 2007. Despite the rise in number of tourists' visits, the incomes from the tourism sector in 2008 came down to 4.60 billion taka (about 65.7 million U.S. dollars) in 2008 from 5.27 billion taka (about 75.3 million U.S. dollars) in 2007<sup>xxiv</sup>. Also, during the last five years (2006-2010) Bangladesh received a total number of 15,29,000 visitors and earned US\$ 413.00 million. The country is trying from the inception of this industry to attracting more tourists to its destinations and to earn more foreign currency from this sector. The statistics on this sector shows that both the arrivals and earnings from tourism in Bangladesh have increased over the past.

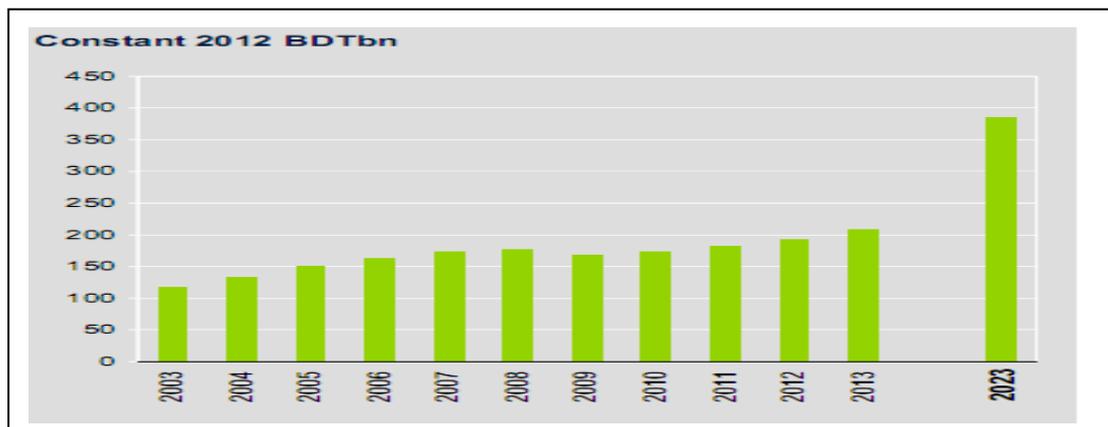
However, with growing international interest in traveling through Asia, tourism is taking roots in Bangladesh. From international tourists' movement's point of view, Bangladesh is in the Macro-Asian air corridor of the transcontinental traffic connecting Europe with East-Asia and Australia. Also, the country is located in the mid-connecting point of South and South East Asian countries<sup>xxv</sup>. Besides, China Southern Airlines saw a marked improvement in traffic to Bangladesh since its first flight in 2009. In 2010, Air China, the other Chinese airline, reported a surge in Chinese visitors to Bangladesh, reflecting China's increased interest in Bangladesh, both for tourism as well as strategic investment from the Chinese government. In the latter half of 2010, the governments of China and Bangladesh moved towards another air link between Dhaka and Chongqing, China's largest port city. India's Jet Airways landed in Dhaka, too, in 2010. United Airways Limited became the first listed aviation company in Bangladesh in 2010, inducting two Airbus and one ATR aircraft on domestic flights<sup>xxvi</sup>.

Bangladesh is now considered as one of the leading countries having a GDP growth which has been acclaimed internationally because of exports from Bangladesh including garments, manpower etc. This economic growth will spur the growth of tourism industry. According to an estimate, 9,000 international standard rooms will be available in Bangladesh in next 5 years. In this connection initial contacts have been signed by some leading international chains already for construction of hotels and resorts in Dhaka, Chittagong, Cox’s Bazar and Sylhet. For operations of these rooms nearly 15,000 trained workers will be needed for which more hospitality training institutes have to be established both in the public and the private sectors<sup>xxvii</sup>.

To capitalise on the potential of tourism, the government framed a new Tourism Policy in 2010, which underlines the development of eco-tourism, community tourism, rural tourism, pilgrimage tourism, riverine tourism, archaeological tourism and other forms of tourism in the context of Bangladesh’s traditions and cultures. The policy also emphasised private sector led tourism. A tourism board has been formed for marketing and publicity abroad. A law titled ‘Exclusive Tourist Zone and Tourism Protected Area’ was recently enacted to attract foreign investment and sustainable development of the sector<sup>xxviii</sup>.

The tourism industry is one of the few sectors in which Nepal holds a comparative advantage and the industry has influenced segments of Nepal's economy and social system through the multiplier effect including hotels, restaurants, transport, shopping, entertainment and other allied economic activities (Ibid). Bangladesh has all the potentials to be an attractive tourist destination. Its tourism and hospitality industry can generate income and job opportunities for the unemployed youth. The foreign and domestic tourists generate income of about Tk 100 billion, inclusive of direct and indirect support services like hotels, resorts, restaurants, transportation and entertainment. Not even 1.0 per cent of this income goes out to obtain goods or services as required by the RMG business. This is a solid income that can be multiplied by public and private partnership. This is probably the most potential sector for the small and medium enterprises to create new empowerment opportunities. The government has to act as the facilitator. Supportive government policies would help generate in-bound tourism to help expand the activities in the sector. The hospitality and tourism industry has all the potentials to help boost the overall economic growth. The below chart- 6 shows Contribution / share to Travel and Tourism to GDP in Bangladesh.

**Chart- 6:** Share of Travel and Tourism to GDP in Bangladesh



Source: Bangladesh Travel and Tourism Economic Impact Report, 2013, p. 7

The above stated chart reveals on an average positive trend of share of Bangladesh Travel and Tourism to GDP. The direct contribution of Travel & Tourism to GDP in 2012 was BDT 193.0 bn (2.1% of GDP). This is forecast to rise by 7.7% to BDT 207.8bn in 2013. This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists. So, it is positive sign for the country to expand and develop its tourism industry for the rapid expansion and development of its slowly growing economy.

**2.4 Institutional Support for Tourism Development- a Review**

In Bangladesh, only national tourism organization (BPC) is engaged to develop tourism industry in Bangladesh. The government created in 2009 the Tourism Board in addition to the Bangladesh Parjatan Corporation, which existed for the last 40 years to expedite the growth of tourism in the country. It now appears that both the organisations are less active in their divided field of activities. It is learnt from a very senior officer of the Bangladesh Parjatan Corporation that during the last financial year (2011-2012), the government allocated Tk.650.00 million to the Board for promoting and branding Bangladesh. A bulk of this allocation has remained unused<sup>xxix</sup>. The government has enacted a Tourist Resort Act in 2010 to safe guard the interest of the tourist areas. But there are allegations that this law is being flouted by MPs, party men, local influential people in connivance with the local administration (Ibid). The Ministry of Civil Aviation and Tourism, despite its existence from 1975, has not been able to bring out any official hotel guide, travel agents guide and tour operators guide. The minister is generally seen performing routine

functions such as banning smoking in tourist hotels (government by a law) has banned smoking in public places inauguration of 3-4 travel fairs in a year and these travel fairs promote foreign destinations, rather than domestic tourist centres. But BPC alone cannot develop this industry to meet global competition. Private sector initiatives especially public private initiatives (like power sector, transportation and communication) can play vital role in this regard. At present some private organizations like the **Concord Group** and others have seen coming forward in this purpose. To establish and develop tourism in Bangladesh Concord Group has taken some projects like *Fantasy Kingdom*, *Water Kingdom*, and *Heritage Park*. etc.

#### 2.4.1 Promotional Activities for Tourism Development

The above stated statistics (*see previous section 2.1*) of tourism industry of Bangladesh revealed that the country has a positive trend in arrivals and earnings (average) and it can be increased to a significant level if the country can undertake appropriate promotional measures especially by increasing the allocation for this purpose. The study findings of Hossain (2006) reveal that though Bangladesh has many beautiful attractions to its destination, it fails to attract the significant number of tourists partly because of insufficient promotional activities. As the country lacks sufficient funds for this purpose, it can not take the necessary promotional activities for this industry. Besides, in the face of stiff competition among the destination countries as well as SAARC countries, effective and drastic promotional measures are essential for the development of this industry.

As Bangladesh tourism appears to have suffered mostly due to inadequate and ineffective promotional activities and promotional activities play an important role in the marketing of the same, it is necessary to study how promotion can play the role in tourism industry in Bangladesh. Statistics show that Bangladesh Parjatan Corporation (BPC), the only public sector tour operator in Bangladesh spent Tk. 7.935 million in 1995-96 which rose to TK. 10.413 in 2004-05 for promotional activity which is only 0.71% and 0.23% of its earning respectively. On the other hand the Virginia Tourism Corporation (VTC) generates a return-on-investment of \$4 for every dollar spent promoting Virginia's tourism and for every one dollar spent in advertising returns almost four dollars in taxes to Virginia<sup>xxx</sup>. However, Bangladesh Parjatan Corporation could not meet this requirement due to lack of needed fund along with the absence of decision-makers' foresightedness. As a result, this sector and its market have failed to grow properly not merely because it lacks enough attractions and facilities. But time has not yet past over. Still there are lots of scopes and opportunities, if Bangladesh attempts to highlight it as a tourist destination to the potential tourists properly through an effective promotional measure and can take some initiatives to develop some infrastructural facilities, the country would be able to earn many times higher than the present by attracting more tourists with in a short time. In this regard, for the convenient of both tourists, investors and policy makers, some important information of tourism prospects, products available in Bangladesh is shown in the *Appendix-3*.

#### 2.5 Constraint and Challenges of Bangladesh Tourism Industry

The following sections discuss about current problems faced by Bangladesh tourism industry. In this regard, data and information have been collected through pre-designed questionnaires from the selected service providing organizations and from tourists (domestic and international).

##### 2.5.1 Constraints opined by Service Providing Organizations

The respondents were asked to identify various problems that existed at the spots especially at Cox's Bazaar. Some of the major constraints identified by the sample hotel's manager are analyzed and measured in Five—Point Likert Scale and shown in the Figure —1 (in Appendix —2) as rank. Among various problems as opined by the respondents, Lack of government initiatives for developing tourism industry 70% respondents ranked it very important and 10% ranked as very unimportant. This issue scored 4.15 and placed first position as rank. In the same way, Poor infrastructure facilities in the spots scored 4.10 and placed, 2' position Lack of recreation facilities for the tourists (like —Boating, wind surfing, Horse racing, and other playing facilities etc scored 3.8 placed 3 position, weather forecasting system 3.75, lack of tourism experts in hotels scored 3.7, and so on. Moreover one administrative official of hotel Sea Gull gave his opinion on the said issue as: i). Very limited scope for higher education in this area. ii) Natural beauty is not seen in the Television and Internet widely, so that people in abroad don't know about the country. Also Embassy's initiatives are not remarkable in this regard. iii) Lack of international package tour operation with the collaboration of other countries. Besides, another official of hotel Sea Crown commented that people getting higher education in the field of tourism with scholarship from abroad are not interested to join again in this industry in Bangladesh. For this reason, there is lack of expert people in most of the hotels and motels of the tourists' spots in Bangladesh.

##### 2.5.2 Constraints as opined by Tourists

Tourists' were also interviewed with a pre-designed questionnaire to know their opinions about various problems existed in the tourism industry in Bangladesh. Their opinion also measured in Five- Point Scale in the Figure-2 (Appendix —2) rank wise. The aforesaid table reveals that 'inadequate infrastructure facilities' has been given highest score (4.18) and 26 respondents have treated the issue as very important followed by 'lack of modern recreation facilities' (4.14). Lack of safety and security (4.12), sufficient and quality food stuff is not available in the spot areas (4.06) have been given 3<sup>rd</sup> and score . 'Travel agents are not available in most of the hotels & motels (Cox's Bazar)' has given lowest score (3.2). However, both the respondents (service providing organization and tourists) have placed their comment on some common issues as stated in *Figure 1 & 2* in Appendix - 2. To resolve the aforesaid barriers of tourism industry in Bangladesh, they suggest some policy guidelines, which are included in the later section.

### 2.5.3. Some Probable Measures to Improve and Develop Tourism Industry in Bangladesh

It has been discussed in the earlier section that tourism is a developing industry in Bangladesh. But this country-still unknown in tourism map-which has a lot of potentials of becoming a fascinating destination in South Asia. A study conducted by the researchers of the Department of Tourism and Hospitality Management of The people's University of Bangladesh on Cox's Bazaar sea-beach on last March 2005. They surveyed on 1,153 tourists to collect opinions and recommendations about the development of tourism industry of the country. Some of the main recommendations of both tourists and the researchers are: 1) The Cox's Bazaar should be declared as tourism capital for the development and expansion of this industry. 2) Proper policy and plan should be taken by the government to ensure modern and efficient management and development. 3) The professionals from the relevant field should form a Tourism Board. 4) Modern Coast Guard with sufficient training must be formed including information center<sup>xxxi</sup>.

However, the present research results prove that tourism industry in Bangladesh mainly lacks of Government initiatives, private sector as well as public private partnership (PPP) investment. The specialized knowledge, efficiency, innovation and investment, which are needed to develop this industry, have not got priority in the National Development Policy at all. In this regard, according to the suggestions of both service providing organization and tourists (local and foreign), the following measures may be considered by the government policy making authorities in an urgent basis for developing tourism industry in Bangladesh.

- For rapid improvement and development of infrastructure necessary initiatives should be taken to attract both tourists (domestic and foreign) and foreign investors to invest in this industry.
- Improve and modernize security system from capital city to tourists spots.
- Ensure modern recreation facilities for the tourists (like —Boating, wind surfing, Horse racing and other playing)
- Necessary initiatives to provide food stuff for the tourists and quality food should be available in the spot areas.
- Price of food and beverage in spot areas keep in a reasonable level ensuring the quality and standard of the food provided by the hotels and restaurant. Also, hotel / accomodation costs should be regonable as compared to SAARC countries context.
- Government may provide special facilities to both local & foreign investors to invest in this industry including PPP investment. In Sri Lanka, 100 % FDI encourage in the tourism sector development.
- Set up and develop lighting system along side the road from main city to tourist areas and high powered light in the beach area.
- To improve security system there should be police station in the nearer places of the tourists' areas. Like other foreign countries, there should be mobile police in the tourists' areas to control any unwanted situation and ensure the safety of tourists'.
- Government may provide **Tax holiday** to more and more development of tourism industry and set up hotels and restaurants in the tourists areas all over the country as a result foreign investors will be interested to invest in this industry.
- Standard (confirmation of 5\*, 4\*, 3\* 2\* j\* ) of the hotels/motels should be maintain by the expert people in this field. District Commissioner (DC) of the city is the authentic person for maintaining the standard of the hotels & motels, but he is not the expert person for such activity. So, government as well as BPC should rethink the issue for the congenial development of this industry.
- Set up Training Institute for the tourism expert as well as resource persons. In this regard, BPC's initiative is inadequate and not in proper way.
- To control natural calamity, it is very important to develop weather forecasting system in the tourists' spots & zones.
- For ensuring proper and timely communication facilities, Travel Agents should be available in the hotels / motels of the tourists' spots —Cox's Bazar and others for just and comfortable journey of tourists from one place to another in the country.
- Political stability may be developed by synergy between both ruling and political parties. Otherwise, no development would be ensured in this country specially for tourism development.

### III. CONCLUSION

At present time, tourism has been treated as a powerful engine of growth for many developing countries. The pace of growth in the developing countries, including Bangladesh, is faster than in developed nations. The present study shows that the tourism industry of Bangladesh can contribute to achieving the country's vision for 2021 in many ways. However, it requires many short, mid and long term projects with sufficient budgetary allocation. The sector also needs to be prioritised in the national development plans and policy programmes.

Bangladesh tourism products have immense potentiality to attract most world tourists. Nevertheless, this industry remains neglected for a long time. In world tourism, Bangladesh's share is very disappointing compared to other SAARC countries. However, the present study shows excellent growth trend of Bangladesh tourism industry in SAARC comparison and its share to GDP has been increasing. The study also have identified some important issues that hinder the development of tourism industry in the country. Inadequate infrastructure facilities, lack of long term plan (master plan) by government, lack of modern recreation

facilities, promotional activities, traditional weather forecasting techniques, lack of sufficient safety & security system etc. are vital ones in this regard. It is the government, who can handle the issues in an urgent basis. Committed efforts are needed from both public and private sectors especially Public Private Partnership (PPP) initiated programmes for full development and utilization of the potentials of the Tourism Industry. The policy measures included in this study can help both government policy makers and private sector (investors) to make their future programmes for building Bangladesh as an important tourists' zone and destination to the world wide tourists.

**Appendix-1**

**Table-1 Foreign Tourists Arrivals and Foreign Exchange Earnings in Bangladesh over the years (1996-2010)**

Year	No. of visitors	Change (%)	Foreign Exchange Earnings (In Million Tk.)	Change (%)
1996	166000	-	1401	-
1997	182000	9.36	2741	95.64
1998	172000	5.49	2455	-10.43
1999	173000	0.58	2452	0.12
2000	199000	15.23	2627	7.01
2001	207190	4.12	2654	1.02
2002	207024	0.02	3313	24.82
2003	245000	18.22	3310	-0.08
2004	271270	10.72	3967	19.87
2005	208,000	-23.32	4494	13.27
2006	200,000	-3.85	5531	23.07
2007	289,000	44.50	5265	-4.80
<b>2008</b>	<b>4,67,000</b>	<b>61.59</b>	<b>6124</b>	<b>16.32</b>
2009	2,67,000	-42.83	5762	-5.92
2010	3,03,000	13.48	5563	-3.46

Source: i) Bangladesh Bank (Special branch), available on :[http://www.parjatan.gov.bd/tourism\\_2010.php](http://www.parjatan.gov.bd/tourism_2010.php), ii) World Travel and Tourism Council (WTTC), 2012.

**Table -2 International Tourist Arrivals of SAARC Countries (In thousand) Since 1997-2008**

Country/ Region	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Bangladesh</b>	<b>182</b>	<b>172</b>	<b>173</b>	<b>199</b>	<b>207</b>	<b>207</b>	<b>244</b>	<b>271</b>	<b>208</b>	<b>200</b>	<b>289</b>	<b>467</b>
<b>Pakistan</b>	375	429	432	557	500	498	469	648	798	898	840	823
<b>India</b>	2395	2382	2508	2677	2591	2428	2726	3457	3919	4447	5082	5367
<b>Sri Lanka</b>	366	381	436	400	337	393	501	566	549	560	494	438
<b>Nepal</b>	422	464	492	464	361	275	338	360	375	516	527	500
<b>Maldives</b>	366	396	430	467	461	485	564	617	395	602	676	683
<b>Bhutan</b>	5	6	7	8	6	6	6	9	14	17	25	28

Source: i) WTO -World Tourism Organization -2011, ii) Bangladesh Bank (Special branch), iii) Nepal tourism Board, 2007, The world Bank, <http://data.worldbank.org/indicator/ST.INT.RCPT.CD>

**Table-3 Growth of International Tourist Arrivals of SAARC Countries (since1997-2008)**

Country Year	Bangladesh	India	Pakistan	Sri Lanka	Nepal	Maldives
1997	9.36%	-	-	-	-	-
1998	5.49%	-0.54%	14.4%	4.09%	31.90%	8.19%
1999	0.58	5.28%	0.69%	14.47%	9.80%	8.58%
2000	15.23	6.74%	28.93%	-8.25%	-0.59	8.60%
2001	4.12	-3.21%	10.23%	-15.75%	-16.16%	-1.3%
2002	0.02	-6.29%	0.4%	16.61%	-23.57%	5.1%
2003	18.22	12.27%	-5.82%	27.48%	22.90%	16.3%
2004	10.72	26.82%	38.16%	12.97%	6.50%	9.4%
2005	-23.32	13.36%	23.15%	-3.0 %	4.16%	-35.9%
2006	-3.85	13.47%	12.53%	0.02%	37.6%	52.3%
2007	44.50	14.28%	6.46%	-11.78%	2.13%	12.3%
<b>2008</b>	<b>61.59</b>	<b>5.60%</b>	<b>2.02%</b>	<b>-11.33%</b>	<b>-5.13%</b>	<b>1.1%</b>

Source : Table -2, and compiled by the researcher herself.

**Table-4 Tourism Receipts of SAARC Countries (Since 1997-2008) (Amount in Million US\$)**

Country/ Region	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Bangladesh</b>	<b>32</b>	<b>59</b>	<b>51</b>	<b>53</b>	<b>50</b>	<b>48</b>	<b>57</b>	<b>67</b>	<b>70</b>	<b>78</b>	<b>75</b>	<b>75</b>
<b>Pakistan</b>	618	556	492	551	533	562	620	765	828	919	912	986
<b>India</b>	2889	2948	3009	3460	3198	3103	4463	6170	7493	8634	10729	11832
<b>Sri Lanka</b>	217	231	275	253	211	253	441	417	362	410	729	803
<b>Nepal</b>	116	153	168	167	140	107	193	180	160	163	n.a.	353
<b>Maldives</b>	- 286	303	314	321	327	337	402	479	287	512	602	1392
<b>Bhutan</b>	6	8	9	10	9	8	8	13	19	n.a	n.a	46

Source : i) Source : World Tourism Organization, Yearbook of Tourism Statistics available on:

<http://www.indexmundi.com/facts/pakistan/international-tourism>, ii) Bureau of immigration, India, quoted in India Tourism Statistics, 2010, available on : [www. Tourism.gov.in](http://www.tourism.gov.in), **n.a.** –not available.

**Appendix-2**

**Figure-1 Showing Problems identified by the sample respondents - Service Providing Organizers**

Problem	Problems Degrees of Importance in Five Likert Scale					Weighted Mean Score	Rank
	VI (5)	I (4)	N (3)	UI (2)	VUI (1)		
1) Lack of government initiatives as well as long-term plan for developing tourism industry.	14	2	-	2	2	4.15	1
2) Poor & inadequate infrastructure facilities in the spots	12	4	-	1	3	4.10	2

3) Lack of modern recreation facilities for the tourists (like —Boating, wind surfing, Horse racing, etc.)	11	4	3	2	-	3.80	3
4) Weather forecasting system is not developed.	10	3	2	2	3	3.75	4
5) Lack of tourism expert in most of the hotels & motels.	8	6	-	4	2	3.70	5
6) No. Tax holiday for flourishing and developing tourism industry.	10	2	2	2	-	3.60	6
7) No. Tourism Board like BOI (Board of Investment) is established for developing tourism	10	3	-	2	5	3.55	7
8) Lack of training institute for the tourism experts	10	-	2	4	4	3.40	8
9) No. system is followed to maintain the standard of the hotels /motels	8	4	-	2	6	3.30	9
10) Lack of Government initiatives to encourage private investment (foreign and local) to develop and modernize tourism industry in Bangladesh.	9	-	2	3	6	3.15	10

Source: Field Survey. Total number of respondents = 20.

Figure-2 Problems identified by the Tourists (Domestic and Foreign)

Problem	Problems Degrees of Importance in Five Likert Scale					Weighted Mean Score	Rank
	VI (5)	I (4)	N (3)	UI (2)	VUI (1)		
1. Inadequate infrastructure facilities that needed lot of drastic improvements and modernization	26	14	3	7	-	4.18	1
2. Lack of recreation facilities for the tourists (like Boating, wind surfing, Horse racing, others playing etc.)	25	15	2	8	-	4.14	2
3. Lack of security system for the tourists in the beach area (especially mobile police).	30	10	-	6	4	4.12	3
4. Std. Quality of foods especially for the foreign tourists are not available in the spot	28	12	-	5	5	4.06	4
5. Lack of long term plan as well as master plan by government	20	15	5	10	-	3.9	5
6. Price is reasonable comparing the quality and standard of the	25	-	10	10	5	3.6	6

food provided by the hotels and restaurant							
7. Lack of high-powered light in the beach area (Which creates hindrance to stay beach after evening)	25	5	-	14	6	3.58	7
8. Lack of sufficient lighting in the roadsides from city to the beach area	20	5	5	16	4	3.42	8
9. Lack of sufficient information of weather about natural calamity arises in the sea any time	23	7	-	5	15	3.36	9
10. Travel agents are not available in the hotels & motels of the spot(Cox's Bazar)	25	-	5	5	10	3.2	10

Source: Field Survey. Total number of respondents = 50.

**Appendix-3**

The following sites will provide information to the potential tourists and investors about tourism in Bangladesh:

- www.hungladshtourism.org
- http://bangladeshonline.com/tourism/index.htm
- http://www.toursonline.com
- http://www.reisehuset.com/saarc-bangladesh.htm
- http://www.reisehuset.com/saarc-india.htm
- http://www.tourismindiaonline.com/info/about\_us.asp

REFERENCES

<sup>i</sup> The ASEAN Travel & Tourism Competitiveness Report 2012- Fostering Prosperity and Regional Integration

Through Travel and Tourism, available on : [www.weforum.org](http://www.weforum.org)

<sup>ii</sup> World Travel and Tourism Council (WTTC) , 2013.

<sup>iii</sup> Amin Sakib-Din, "The role of tourism in Bangladesh economy" The New Nation, 6<sup>th</sup> Dec 2006.

<sup>iv</sup> Opcit, p.3

<sup>v</sup> World Travel and Tourism Council (WTTC) , 2013, p.3

<sup>vi</sup> Hossain, M.A., (1999) Marketing of Tourism Industry in Bangladesh: An Empirical Study of Performance and Strategies, Unpublished Ph.D. Thesis, University of Pune, India, quoted in Hossain, J. (2006).

<sup>vii</sup> <http://bangladesh-web.com>

<sup>viii</sup> WTO- World Tourism Organization , UNWTO,2012, <http://www.unwto.org/facts/menu.html>

<sup>ix</sup> Hossain, J. 2006, "The Use of Promotional Activities in the Tourism Industry: The Case of Bangladesh", Blekinge Institute of Technology School of Management unpublished Master Thesis, available on : [http://www.bth.se/fou/cuppsats.nsf/all/3c5d92da5330a8eec12571950033b0b8/\\$file/Final%20copy](http://www.bth.se/fou/cuppsats.nsf/all/3c5d92da5330a8eec12571950033b0b8/$file/Final%20copy)

- 
- <sup>x</sup> Bangladesh Parjaton Corporation (BPC) Annual Report, available on : [www.bpc.org](http://www.bpc.org)
- <sup>xi</sup> The Daily Star, June 6, 2013
- <sup>xii</sup> Rahman, M.S. (2012), "Exploring Tourists' Perception : The Case of Bangladesh", An International Multidisciplinary Journal of Tourism, Volume 7, Number 1, Spring-Summer 2012, pp. 81-98.
- <sup>xiii</sup> TTB- Travel and Tourism in Bangladesh, Country Report, 2011, available on <http://www.euromonitor.com/travel-and-tourism-in-bangladesh/report>
- <sup>xiv</sup> **World Travel and Tourism Council (WTTC) , 2012**
- <sup>xv</sup> Jiménez ,Pulina etal, 2009 quoted in Chowdhury & Shahriar, 2012
- <sup>xvi</sup>
- <sup>xvii</sup> Akteruzzaman & Ishtiaque (2001), "Potenga Seashore, A Rising Horizon for Tourism : Problems and Prospects" The Chittagong University Journal of Commerce Vol. 16, 2001, P. 109-111.
- <sup>xviii</sup> WTTC, 2013.
- <sup>xix</sup> **Sikder** Zahed Husain and Hussain Md. Moazzam (1998) "Tourism Management and Development- A study od Some selected Areas in Greater Chittagong', The Chittagong University Journal of Commerce Vol. 14, 1998, P. 171-183.
- I. <sup>xx</sup> HOWLADER, Z.H. (2013), " THE GREAT POTENTIAL OF TOURISM", AVAILABLE ON :**  
[HTTP://WWW.THEDAILYSTAR.NET/BETA2/NEWS/THE-GREAT-POTENTIAL-OF-TOURISM/](http://www.thedailystar.net/beta2/news/the-great-potential-of-tourism/)
- <sup>xxi</sup> Ibid, 2013.
- <sup>xxii</sup> Ibid.
- <sup>xxiii</sup> [www.wikipedia.org/wiki/Tourism\\_in\\_Bangladesh](http://www.wikipedia.org/wiki/Tourism_in_Bangladesh).
- <sup>xxiv</sup> [www.eturbonews.com/11075](http://www.eturbonews.com/11075).
- <sup>xxv</sup> Sikder and Hssain, 1998, p. 173
- <sup>xxvi</sup> TTB, Country Report, 2011.
- <sup>xxvii</sup> Ahmad, S. (2013), "Tourism industry in Bangladesh", available on : <http://www.thedailystar.net/beta2/news/tourism-industry-in-bangladesh/>
- <sup>xxviii</sup> Opcit, Howlader, 2013
- <sup>xxix</sup> Opcit, Ahmad, 2013.
- <sup>xxx</sup> Opcit, Hossain, 2006)
- <sup>xxxi</sup> The Daily Prothom Alo April, 2006

