

Impact of Tourism in Bangladesh Economy

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Tourism has become a very important and dynamic sector in the developing countries. For the last two decades tourism flourished very fast in the developing countries. Bangladesh has not yet got a better position in this industry after 40 years in comparison to her neighbors. Though Bangladesh got all the potentials to flourish but tourism in this country has been growing at a very slow pace. Bangladesh has failed to introduce her as a tourist destination country in the international tourist market. In 2010 Bangladesh received only 3 lacs of foreign tourists, of which more than 70 percent came for business and official purposes. The GDP contribution from the earnings of tourism is less than 1 percent. So it is clear that there are discrepancies in the degree of initiatives to attract tourists. For long time Bangladesh had been an tourist attracting country, but at present, its position is not significant in terms of the international tourist market. The overall objective of this study is to identify the issues and challenges faced by Bangladesh in attracting tourists.

Keywords: Tourism, GDP, Strategy.

1. Introduction

Bangladesh is a developing country with a large population. The average GDP growth for the last few years varies from 5-6%. RMG industry is the source of major foreign currency. In a recent time, there is a competition in the RMG sector from the competitors. So the searching of alternatives has emerged besides maintaining the position in RMG. The promising alternative in this case may be Tourism. Bangladesh is a country of natural beauty. Some of her parts are covered by Hills and some other parts by the rivers. It has the longest beach of the world, the Sundarbans with Bio diversity. There are many archaeological sites also which can easily attract foreign tourists.

Tourists are ready to visit these places and also to pay. But there are some problems to this market sector. If proper policy can be taken and strategy can be formulated, tourism will also become one of the potential sectors to earn foreign currency and contribute to the economy. Natural beauty should be protected and facility should be improved for the tourists as well for attracting them. The potentiality of tourism has been explored through the details of various tourist spots for attracting tourists from various parts of the globe and the economic potentiality is explained for the investors' interest as well in this paper.

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To find out the gap of relevant studies conducted earlier, literatures have been reviewed to explore the potentiality of the tourism industry. Then the study is conducted by collecting data from the secondary sources and then the trend of tourist receipt and economic growth are analyzed with the help of collected data. The challenges of the industry are identified and some policy implications are provided to address the challenges as well.

Objectives of the Study:

- 1) To identify the potentiality of tourism in Bangladesh.
- 2) To identify the impact of tourism in the economy of the country.
- 3) To find out the reasons behind reluctance of foreign tourists to visit Bangladesh.
- 4) To recommend necessary suggestions to overcome the problems.

2. Literature Review

J.Kweka (2004) opined that tourism expansion has substantial impact on the economy by contributing to GDP, total welfare and exports. Improvement of infrastructure appreciably amplifies the effects of tourism expansion and tourism taxation has an unambiguously favorable impact on tax revenue and welfare. As least Developing Countries (LDCs) lack sufficient resources to enhance growth, tourism may provide as a source of tax revenue to finance infrastructure projects that will benefit the economy as a whole, as well as tourists. UN, NY (2007) in a study reported that Bangladesh is trying to achieve Millennium Development Goals (MDGs) for poverty elevation within 2015. It would be possible if all actors work together at global, regional and national levels. Tourism is one of them. In the beginning of Bangladesh, tourism was not included in industry but from 1999 it's included as an Industry, which represents the importance of the tourism. Ali & Mohsin (2008) concluded that tourism is a leading industry in the service sector at the global level as well as a major provider of jobs and a significant generator of foreign exchange at the national level. When considering foreign exchange earnings from tourism might seem rather small. The annual growth rate over the last few years is noteworthy. Though tourism has not assumed a significant role in the national economy yet, it is hoped that tourism shall grow to contribute significantly to the national economy in the future. Ali & Mohsin (2009) remarked that tourism has been considered as the world's largest and rapid growing industry of modern business world. It is now one of the most important service industries, and has become one of the most important invisible export sectors in many countries of the world. It is a commodity for sale, which is consumed at the point of production. Tourism is growing fast as a global industry and it is comparatively a cheaper way to earn foreign currencies. Tourism is one of the leading sources of foreign exchange earnings. Tourism sector should be properly explored so that it will have positive contribution towards increasing of Gross Domestic Product (GDP). Tuhin & Majumder (2004) discussed that tourism has a vital influence on economic development of a country. Bangladesh is a new tourist destination on the map of the world. Bangladesh has enormous potentiality to develop tourism because of its attractive natural beauty and rich cultural heritage. Jiménez, Pulina et al,(2009) opined that in recent years there has been an increase of interest in the role of tourism for growth and development for Developing countries (Bangladesh) The relationship between exports, tourism and economic growth is still ongoing . Chowdhury & Shahriar (20012) found that Bangladesh is a large deficit

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economy country. In the cases 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. Tourism may be the best alternative to maximize the export. There have been done many studies regarding international tourism prospects and also regarding the status of the industry in Bangladesh but there have been a little study about how this industry can be an alternative of largest export sector for the country.

3. Methodology of the Study

The study is basically conducted by collecting and analyzing data from secondary sources such as various research articles, books, and web source etc. It is tried to gather the information related to the trends of tourist receipts, their interest and the economic impact through the growth analysis. The correlation between tourist receipts and the economic impact was evaluated and policy implication was suggested for improving the condition of the industry.

4. Tourist Places of Bangladesh

Beaches

The Patenga beach at Chittagong is one of the most popular beaches of Bangladesh, stretching for miles near the meeting place of the Bay of Bengal and the river Karnaphuli.

Parki beach is situated in Gahira, Anwara Thana under southern Chittagong region.

Cox's Bazar- a Tourist Paradise

The flamboyant township at the head of a 120 km long beach with lines of fancy shops on either sides of Cox's Bazaar main road, calm peaceful Khyangs and pagodas, Rakhyne quarters, fish harbor of kostura Ghat, the Sights of the rising sun behind the hills and setting of it into the Bay of Bengal all together gives us aura of a fairy land- a tourist paradise.

Inani

Inani is a quiet tourist hideout set out in the exuberance of nature.

Himchhari

Himchhari is a beautiful spot in the solitude of sea and the hills. It is about four and a half km southeast from cox's Bazaar along the beach.

The attractions around Cox's Bazar are Ramu, Moheshkhali, Sonadia, Teknaf and St. Martin's Island.

Archaeological Sites

Bangladesh is a country considerably rich in archaeological wealth, especially of the medieval period both during the Muslim and pre-Muslim rules, though most of it is still unexplored and unknown. With the independence of Bangladesh in 1971 the Government has undertaken a number of field projects including a comprehensive survey and

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exploration of the hitherto unexplored areas and a fairly ambitious scheme of excavations on selected sites. Though work at present is carried out on a limited scale, the discoveries already made have been significant. While new information and fresh evidence are coming out are gradually. These fresh explorations are likely to add substantially to our knowledge of the history and chronology of ancient Bangladesh and various aspects of her life and culture. The earlier history of Bangladesh reveals that Buddhism received royal patronage from some important ruling dynasties like the great pala rulers. The Chandra and the Deva Kings under their royal patronage numerous well-organized self-contained monasteries sprang up all over the country.

Wari-bateshwar is the site of an ancient fort city dating back to 450 BC situated in the north eastern part of the Bangladesh. This 2500 years old site is a significant archaeological discovery. It challenges the earlier notions about the existence of early urban civilization in Bangladesh.

The archaeological site 'Mahasthan' means a great place. Located at a distance of 18 km. north of Bogra town.

Mainamati

Mainamati once known as 'Samatata' denotes a land lying almost even with the sea-level. An isolated eleven mile long spur of dimpled low hill range known as the Moinamati-Lalmi range runs through the middle of Camilla district from north to south.

Shat Gombudge Mosque, Bagerhat

Among the many surviving monuments of the Khan Jahan style and undoubtedly the most magnificent and the largest brick mosque in Bangladesh, is the Shat Gombudge mosque which means '60-domed Mosque'

Kantaji's Temple

This temple near Dinajpur town was built in 1752 by Maharaja Pran Nath of Dinajpur.

Ahsan Manzil

Situated on the bank of the river Buriganga near Wishehat, this stately monument was originally built in 1872 by Nawab Abdul Ghani, as a palace on the site of an old French factory and it was named after his son Nawab Ahsanullah Bahadur.

Religious Places

Baitul Mubarak National Mosque

Dhaka has several hundred historic mosques. Prominent are the seven domed mosque (17th century), Baitul Mukarram – National Mosque, Star Mosque (18th century), Chawkbazar mosque and Huseni Dalan mosque.

Religious Places Temples

Dhakeshwari National Temple (Bangli dhakeshori jatio mondir) is a famous Hindu temple in Dhaka, Bangladesh and state owned, giving it the distinction of Bangladesh's "National

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Temple". The name "Dhakeshwari" (Dhakeshwari) means "Goddess of Dhaka". The temple is located southwest of the Salimullah Hall of Dhaka University.

Chandranath Hindu Temple-Sitakunda It is approximately 37 km far from Chittagong city.

Puthia Temple Town

Puthia has the largest number of historically important Hindu structures in Bangladesh.

Sri Chaitanya Temple

About 500 years old famous temple of Sri Chaitanya dev is located at Dhaka Dakshin nearly 45 km. Vaishnava saint.

Religious Places-Buddhist Temple

Dharmarajika Buddha Vihara

Dharmarajika Buddha vihara the first Buddhist vihara (monastery) in Dhaka was established in 1960 at the initiative of Bishuddhananda Mahathera.

Religious Places-Churches

Armenian Church

The Church of Bangladesh is a church of the Anglican communion in Bangladesh. It is in fact a united church, having been formed by the union of various Christian churches in the region.

Historical Place

Mausoleum of Father of the Nation

Tungipara, a remote village surrounded by rivers & canals with lush green & densely built homestead on the banks where Bangabandhu Sheikh Mujibur Rahman was born. The surrounding dense neighborhood created a scarcity of land in the graveyard to accommodate the people coming to play respect for his departed soul.

National Memorial

Located at Saver, about 35 km from Dhaka, the national memorial was designed by architect Moinul Hossain. It is dedicated to the sacred memory of the millions of unknown martyrs' of the war of liberation in 1971.

Central Shahid Minar

Symbol of Bengali nationalism, this monument was built to commemorate the martyrs 'of the historic language movement on 21st February, 1952

Martyred Intellectual Memorial

Located at Mirpur, the memorial was built to commemorate the intellectuals who were killed in 1971 by the Pakistan's occupation forces just two days ahead of the Victory Day.

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National Poet's Grave

Revolutionary poet kazi Nazrul Islam died on 29th August 1976 and was buried here. The graveyard is adjacent to the Dhaka university central Mosque.

Bahadurshah Park

Located at old city opposite the jagannath University formerly Victoria park this memorial place of 1857 was built to commemorate the martyr's of the first liberation war in the years of 1857 -59 against British Rule.

Curzon Hall

In the wake of the first partition of Bengal in 1905, a group of architecturally homogeneous building was erected in Dhaka illustrating a happy blending of the mughal and European tastes massive in appearance of their component part and a great variety of eye-catching external detail.

Baldha Garden

Established in 1904, by the late Narendra Narayan Roy, the garden is located in wari (opposite to the Christian cemetery).

Suhrawardy Uddayan

At a stone throw distance from Dhaka Sheraton Hotel and stretching out Dhaka university campus and Bangla Academy, The Suharwardy uddyan, formerly known as the race course, is a testament to our great historical achievement.

Old High Court Building

Originally built as the residence of the British Governor, the High Court Building illustrates a fine blend of European and mughal architecture. The building is situated north of the Curzon Hall of Dhaka University.

Natore- Dighapatiya Rajbari (palace)

Natore lies about 40 km. from Rajshahi and is an old seat of the maharajah of Dighapatiya, once serving as the Uttara Ganabhaban the official northern region residence of the president of the Republic.

Rangamati- The Lake District

Rangamati, located 77 km. away from Chittagong, is a favorite holiday resort because of its beautiful landscape, lake, numerous colorful tribes, hanging bridge, homespun textile products, ivory jewellery, and tribal museum and so on.

Kaptai- The Lake Town

A pleasant and picturesque drive of 64 km. from Chittagong brings you to a huge expanse of emerald and blue water ringed by tropical forests

Bandar Ban –The Roof of Bangladesh

The highest peak of Bangladesh-Tahjin dong (4632 ft) is located in the Bandar ban district.

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Khagrachhari- The Hilltop Town

Khagrachhari is the district headquarters of Khagrachhari Hill District. A drive of 112 km from Chittagong, by an all-weather medaled road through the green forest up hills down dales into the solitude of nature.

Sundarban (Royal Bengal Tiger and Mangrove Forest)

Located about 320 km. South-west of Dhaka and spread over an area of about 6000 sq, km of deltaic swamps along the coastal belt of Khulna, the sundarbans is the world's biggest mangrove forest-the home of the Royal Bengal tiger. These dense mangrove forests are crossed by a network of rivers and creeks.

Here, tourists find tides flowing in two directions in the same creek and often tigers swimming across a river or huge crocodiles basking in the sun. Other wild life of the region include the cheetahs, spotted deer, monkeys, pythons, wild bears and hyenas. The forest is accessible by river from Khulna or Mongla. There are rest-houses for visitors to stay and enjoy the unspoiled beauty and splendor of the forest.

UNESCO has declared the Sundarban a world heritage site that it offers splendid opportunities for tourism.

Jatiya Sangsad Bhaban

Jatiya Sangsad Bhaban (the National Parliament Building) at Sher-e Bangla Nagar, designed by the famous architect Louis I Kahn, is known throughout the region for its distinctive architectural features.

Banga Bhaban

Banga bhaban is the official residence of the head of the state president of Bangladesh.

National Botanical Garden

Located at mirpur, near Dhaka zoo, this garden has a collection of nearly 100 species of local and foreign plants, 100 varieties of roses in the rose corner, 100 varieties of bamboo in the bamboo grove.

National Park

Situated at Bhawal, 40 kilometers north of Dhaka on Trisal- Mymensingh highway, the National park spreads on 16,000 acres, with national recreational forests and animals, including small bears, monkeys, porcupines and foxes.

Dhaka Zoological Garden

Established on 230 acres of land, this zoo at Mirpur has nearly 1500 animals and birds belonging to 128 species.

Batali Hill

The Batali Hill is the highest hill within the Chittagong metropolitan area. It is situated in the tiger pass area of the city, only 1 km. from the zero point. From the peak of the Batali hill one can have a clear bird's eye view of the city.

5. Economic Effect of Tourism in Bangladesh

There is variety of economic impact of tourism. Tourism activities change in sales, income and employment in a region. These effects are distinguished in direct, indirect and induced. The total economic impact is the sum of all direct, indirect and induced effect. Effects that are caused from immediate effect of changes in tourist expenditure are called direct effect. There is a backward linkage of some of the industries with the hotels. These industries supply some of the products or services to the hotels. Due to the increased number of tourist supply of these product or services is required in massive volume which is called indirect effect. For example the indirect effects of tourism concern all sectors of the economy, especially agri-food industries and all tourism-related services such as air transport. Induced effects are the changes in economic activities resulting from household spending of income earned directly or indirectly as a result from tourism spending.

5.1 Tourist Arrivals in Bangladesh

Table 5.1: The tourist arrivals in Bangladesh in different years and the rate of growth of the same

Year	Tourist Arrivals '000'		Year	Tourist Arrivals '000'	
	Number	Growth Rate		Number	Growth Rate
1991	113242		2001	207199	4
1992	110475	-2	2002	207246	0.02
1993	126785	15	2003	244509	18
1994	140122	11	2004	271270	11
1995	156231	12	2005	207,662	15
1996	165887	6	2006	200,311	10
1997	162420	10	2007	289,110	16
1998	171961	6	2008	467,332	18
1999	172781	0.5	2009	267107	-42
2000	199211	15	2010	303386	11

Source: Bangladesh Porjaton Corporation

An international tourist receipt means the expenditure by international inbound visitors, including payments to national carriers for international transport. These payments include any other payment made for goods or services received in the destination country.

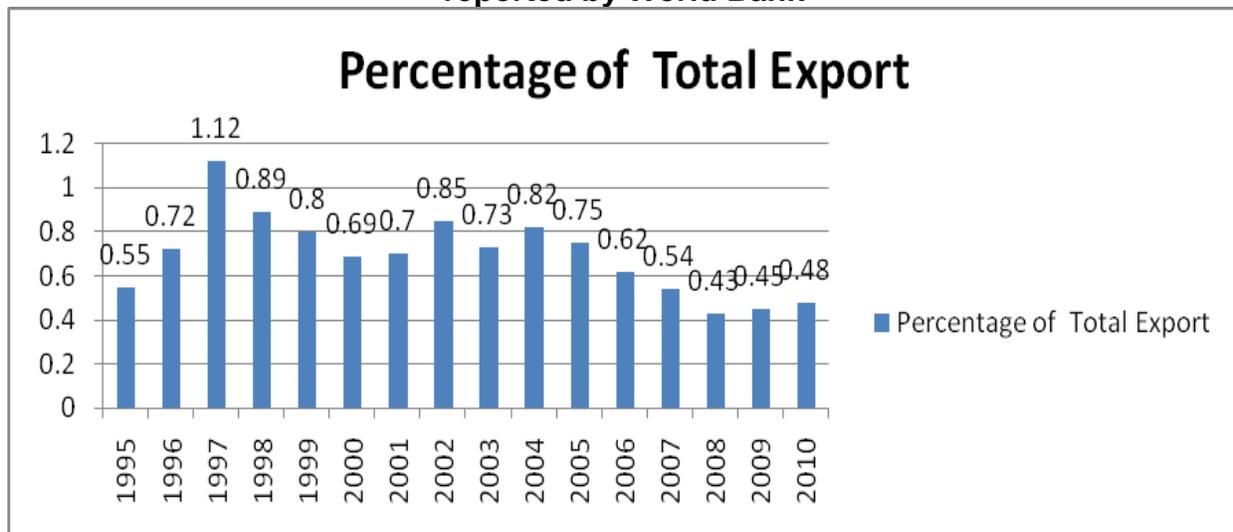
International Tourist receipts (% of total exports) in Bangladesh as reported by World Bank

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Table 5.2: International Tourist receipts (% of total exports) in Bangladesh as reported by World Bank

Year	Percentage of Total Export
1995	.55
1996	.72
1997	1.12
1998	.89
1999	.8
2000	.69
2001	.7
2002	.85
2003	.73
2004	.82
2005	.75
2006	.62
2007	.54
2008	.43
2009	.45
2010	.48

Figure 5.1: International Tourist receipts (% of total exports) in Bangladesh as reported by World Bank



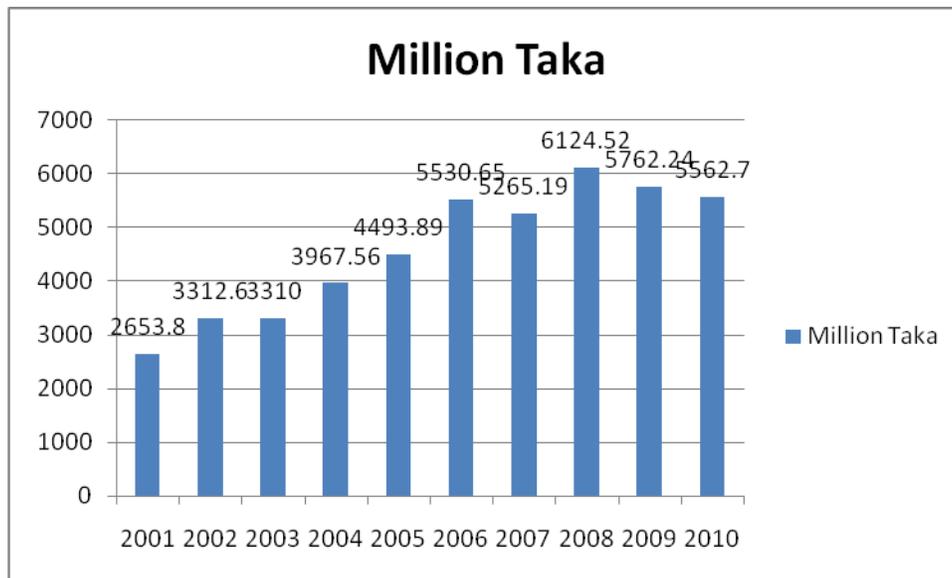
The data shown in the table and graph show that international tourist receipts got a downwards trend with some fluctuations.

Table 5.3: Foreign Exchange Earnings from Tourism & Other Travels

Year	Million Taka
2001	2653.8
2002	3312.6
2003	3310
2004	3967.56
2005	4493.89
2006	5530.65
2007	5265.19
2008	6124.52
2009	5762.24
2010	5562.7

Source: Bangladesh Bank

Figure 5.2: Foreign Exchange Earnings from Tourism & Other Travels



The data shown in the table and graph reveal that foreign earnings got a rhythmic upward trend for the first 6 years(2001-2006) and then it remained almost stable for the following few years(2006-2010).

6. Problems of Tourism Industry in Bangladesh

There is lack of budgetary allocation and scarcity of trained people for the development of tourism sector in the country. Bangladesh is lagging behind in projecting her attractions to international tourist through advertisement in international print and electronic media. Besides meager budgetary allocation of the government, appropriate plans and programs

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–short term, long term and medium term –was absent before 90s. Tourists do not come here to sleep ideally in hotel, but tourists do not find any night-life activities after spending the day at Cox's bazaar beach. There is no proper water and sewerage system in Cox's bazaar. Gas connection is absent and only a limited number of flights land there. Kuakata is a second priority beach of the country. Though road communication has improved than before, tourists do not tend to go there for second time due to the lacking of standard facilities. There is a popularity of archaeological sites in the north-west of Bangladesh. But because of the absence of interpreter and facilities tourist do not make overnight stay there. There is no involvement of the local people of the tourist site. They get little benefit from tourist activities at their own areas. They are also neglected in tourism planning and development process. There are a lot of things to do for Bangladesh Porjoton Corporation; creation of hotels, motels is not the only aspect of tourism development. Both the local and potential foreign tourists face the problem of easy access to information related to Bangladesh tourism and its facilities.

7. Recommendations to Solve the Problems

Tourist attraction should be turned into tourism product i.e. finished product to sell. Appropriate infrastructural development, super-structure development and introduction of waste management and sustainability of the tourist attraction for our prosperity are most essential. Different activities should be developed for the tourists so that they can be kept busy with and money can be brought from their pockets. One thing is to be kept in our mind that tourists come here to spend money not to take back. Infrastructural development such as accommodation, eateries, good communication and transportation, toilet facility, parking facility etc. should be ensured near the tourist spots so that people of all ages and even physically challenged people can travel. Bangladesh may establish tourism offices in the tourist generating countries, such as China, UK, USA, Japan, Australia because these countries produce more than 70 percent of the world's outbound tourists. Tourism products can be diversified based on archaeology, culture and monument, river, tea garden, indigenous culture etc. We may develop many condominiums, international convention center etc in Dhaka and Cox's bazaar to attract multinational companies to hold their AGMs and other meetings. We can develop venues and infrastructure to promote sport tourism in Bangladesh by seeking both local and foreign investment. Domestic tourism should be developed so that it can increase confidence of investors to invest for attracting foreign tourist. Bangladesh may take steps to develop eco-tourism especially in the naturally and culturally rich areas. We can install world class cruise vessels to take tourists to the Sundarbans. Bangladesh should take proper steps to ensure safety and security of the tourists. This process can be made effective by involving local people of the tourist places. Bangladesh may change its visa policy by giving visa waiver for the top tourist generating countries and introduce visa on arrival system for tourist attraction. RMG, Srimp, jute items are now facing competition from other country. Tourism can be a good alternative of export items to support foreign currency. Public awareness should be created. Ugly tourism like exploitation, prostitution and child abuse should be checked strictly. We should follow the global code of tourism set by the UNWTO. The ministry of tourism should be cooperated by other ministry and departments such as as-Ministry of Finance, Civil aviation, Home ministry, Foreign ministry. Community-based rural tourism is a must for the economic development of Bangladesh. Its earnings will act as a

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vehicle for the overall development of Bangladesh. Development of rural tourism will have the following results:

- ❖ Increase in Gross Domestic Product.
- ❖ Human resource development.
- ❖ Poverty mitigation.
- ❖ Promotion of indigenous culture and heritage.
- ❖ Development of river tourism and eco-tourism.
- ❖ Development of rural livelihood.
- ❖ Protection of indigenous rights and resources.
- ❖ Education and training for all.
- ❖ Conservation of environment.
- ❖ Increase in local export.
- ❖ Peace and happiness.
- ❖ Promotion of local cuisine.

8. Conclusion

At the time of Mogul emperor, Bengal was famous for Moslin cloth. People from many parts of the globe came to Bengal for their business purposes of Moslin and they were attracted by the beauty of natural scenery of the country. After the liberation war of 1971, Bangladesh has become famous for jute called golden fiber the main foreign currency earning product. After 1985, RMGs captured the place of jute but in future tourism can be developed as a parallel industry of RMG to contribute to the economy of the country. This study focused on the potentiality of tourism in Bangladesh. An idea has also been given about the economic impact of tourism. Through the analysis of growth it can be shown that there is a strong correlation between the volume of tourist recipients and the development of the economy of the country. If proper studies are done on this issue and long term strategies are taken in action, the efficiency and impact of tourism development is expected to be much higher for deficit economies like Bangladesh.

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