

The Cox's Bazar Of Bangladesh -A Rising Tourist Spot In The World: Its Economic Prospects And Constraints

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Abstract

Currently Cox's Bazar of Bangladesh has been recognized as a rising tourists' spot among the fastest growing destinations in the world. Presently it also holds first position in the competition of world's new seven wonders. In this context, the main initiative of the present study is to focus on the performance of Bangladesh of tourism in general and in Cox's Bazar as a major tourist spot of the country in particular. The study mainly examines potential tourism products of Cox's Bazar and its nearer areas, performance of Bangladesh tourism and prevailing constraints and challenges of the same. The study results reveal that Bangladesh has huge prospects to flourish its economy through tourism and world recognized heritage 'Cox's Bazar' has many tourism products to attract world-wide tourists'. But due to lack of resource constraints and other reasons government initiatives are not adequate to develop (specially infrastructure) tourism in the country and so, this industry still unexplored to most potential tourists' of the world. The study concludes that both government and private interventions are vital one to develop and modernize the Cox's Bazaar (tourist capital of the country) including other potential spots of Bangladesh.

Key Words: *Tourism Products, Growth Trend of tourism, Public and Private sector Initiatives.*

1. Introduction

1.1 Background

It is widely recognized that the tourism industry is making a significant contribution to the socio-economic development of many countries in the Asian and Pacific region through its role in

expanding their economic base, increasing foreign exchange earnings, providing employment opportunities and enhancing standards of living (ESCAP TOURISM REVIEW 2001). The new millennium and the coming decades are a crucial time for the relationship between travel and tourism and sustainable development. The need to preserve the world's inherent assets for future generations is becoming an imperative goal not only for travel and tourism, but also for all other industries that use the earth's natural resources. Travel and Tourism is one of the world's largest industries, employing some 200 million people and generating over 10% of the world's GDP (WTTC, 2004). Tourism industry is now recognized as the World's third largest trade. It is a leading industry of the 21st century (Siddique 2006).

According to the report of World Tourism Organization, the worldwide tourists movement reached 898 million in 2007. This affiliated body of the United Nation forecasts that by 2010 international tourists arrivals will reach 1 billion annually (Weekly Economic Times, April 6, 2008). The revenues generated by those tourists, i.e. international tourism receipts, amounted to US\$741 billion in 2006, corresponding to almost US\$2 billion per day or US\$876 per tourist arrival. International tourism receipts grew by 11 per cent per annum during the period 1950-2006, a rate, which significantly exceeds that of the world economy as a whole during the same period, and makes international tourism one of the largest categories of international trade (The Bangladesh Monitor, July 16 2008)

In the year 2006, the theme of the World Tourism Day is "Tourism Enriches." Tourism enriches with the economy and the culture of a country. It brings openness and friendliness among the peoples of the world. International tourism is the world's largest export earner, and an important factor in the balance of payments of many countries. Asia and the Pacific are also pushing international tourism and attracted 185 million visitors. The growth forecast is even more spectacular in the case of Asia and the Pacific where international arrivals are expected to leap almost fourfold from 111 million in 2000 to 417 million by 2020. Asia has already overtaken the Americas - in 2002 - to become the second most visited region in the world (The New Nation May 20, 2008). In the South Asian region, particularly tourism industry is ever vibrant and growing steadily.

Tourism is a growing industry in Bangladesh. Recently, Cox's Bazar of Bangladesh has been recognized as a rising tourists' spot among the fastest growing destinations in the world (BPC, 2006). Presently, it holds first position in the competition of world's natural beauty- new seven

wonders (www.new7wonders.com/nature). So, this industry has great potentials both as a foreign exchange earner and provider of job opportunities with the resultant multiplier effect on the country's economy as a whole (Rahman, 2007). However, the potentials of this sector in Bangladesh still remain unexplored by parties concerned mainly due to poor infrastructure facilities and deterioration of law and order system (corruption and terrorism), as this sector in different countries is a major source of revenue, employment generation and poverty alleviation (The News Today February 18, 2008).

Rationale of the Study

For at least one third of the developing countries, the tourism receipts are the main source of export revenue. The exceptional growth of tourism over the last 50 years is one of the most remarkable economic and social phenomena of the 21st century (Amin, 2006). The scale of travel and tourism's contribution to the global economy and its potential for enabling sustainable development are becoming more evident for governments, non-governmental organizations (NGOs) and industry alike (UNEP, 2002). Tourism was thought of by the LDCs, as the 'Cinderella wand' used to acquire the much wanted foreign exchange (Brown, 1998), to manage their fragile and declining economies, which are characterized by insufficient finance and expertise, which in turn makes them dependent on international aid (Briedenhann and Wickens 2004; Dieke, 2003).

Tourism industry 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 (Akteruzzaman & Ishtiaque 2001 p.107).). Bangladesh is fast emerging as an alluring tourist spot on the global map. It is a land of diverse attractions, bountiful nature and friendly millions of people with more than a millennium of cultural heritage. The country has failed to utilize even 10 per cent tourism potential of the country due to lack of sufficient steps and entrepreneurship by the government and private sectors (The Daily Star May 19, 2006). We need to take pragmatic steps including developing our websites to increase international tourist flow to our country. Cambodia has its tourism websites in eight languages; Thailand, Malaysia, Indonesia in 12 languages, and we have ours only in one language, in English. Extensive training, increased government budget and a long-term policy will give a boost to the tourism and hospitality industry that holds tremendous potentials in Bangladesh (The News Today February 18, 2008). San Amalan, the General Manger of Westin Dhaka

opined that the number of tourists will mark a rise in Chittagong city if high quality hotels are set up at the port city, known as the commercial hub of the country. He also expressed the hope that Bangladesh should leave no stone unturned in inviting foreign direct investment (FDI) to develop road communications, construct motels and hotels, renovate old and historical places and monuments and protect mangroves and green areas (Ibid). If the government lifted visa restrictions on citizens of Europe, USA and other western countries, around 20 lakh foreign tourists would visit Bangladesh within next couple of years (Ibid). To get the enormous benefit of tourism, our government needs to shed its "policy of reciprocity" regarding issuance of visa to foreign nationals. ((Hasan, 2006). From the above reviews and discussions, it is seen that the development of the tourism industry has been constrained for many reasons and as a result, it has not been possible to earn the desired amount of foreign currency or to create employment opportunities that this sector could provide.

In recent time, some are researches have done on the different issues of tourism industry of Bangladesh such as: tourism management and development, problems and prospects of tourism industry, investment opportunities, role and contribution of tourism in the economy etc. For instance, studies done and reports and newsletter published by (Siddique (2006), Akteruzzaman & Ishtiaque (2001) Hasan (2000) highlight on problems and prospects of Bangladesh tourism. News letter published by Embassy of Bangladesh, Stockholm (2007), Khan (2001), Hoque (n.d.)⁶ evaluate investment opportunities in the tourism industry of Bangladesh, On the other hand research conducted by Sikder Zahed Husain and Hussain Md. Moazzam (1998), discuss and analyze about tourism management and development of Bangladesh. Weekly Economic Times April 6 2008, BPC (2006), WTTC (2005), Siddique (2003) examines prospects of Bangladesh tourism industry. Mizan Khan and Mahfuzul Haque (see BIMSTEC-Japan cooperation in Tourism and Environment: Bangladesh Perspective, May 2007) provide a valuable analysis on Bangladesh's tourism sector. They note the strengths, weaknesses, opportunities and threats faced by the sector. But so far, no research is done on Cox's Bazar (tourism capital of Bangladesh) independently to flourish its economic viability as well as constraints. In this consequence, this research is an initiative to make up the gap by the researcher.

⁶ n.d.- Date of publication is not mentioned.

Study Objectives

The main focus of this study is to critically evaluate various potentials and performance of tourism sector of Bangladesh in general and The Cox's Bazar Spot in particular. To have a proper idea about the issue the study includes the following aspects as follows:

- I. To discuss about historical background of Cox's Bazar Spot as a tourism capital of Bangladesh and its nearer potential tourism products;
- II. To analyze the present position as well as performance of tourism industry of Bangladesh in general; and Cox's Bazar in particular;
- III. To evaluate development initiatives and investment opportunities for developing tourism infrastructure with international competitiveness;
- IV. To identify various constraints and challenges of tourism industry in Bangladesh and finally some pragmatic and realistic policy measures have been suggested for the for meaningful tourism development in Bangladesh

Study Design

Present study is a descriptive one drawing on empirical data and a wide range of literature from a variety of disciplines, including based on extensive search from various sources. The desk research method has been followed to review the existing literature on the aforesaid area. Secondary materials, like Report of Bangladesh Parjaton Corporation (various issues), Tourism Statistics of Bangladesh, 2004, Asian Development Outlook, UNWTO, WTTC Report, the daily news papers, seminar papers, UNCTARD Report-, online databases produced by both academicians, consulting firms and institutions were used to develop the theoretical frame work regarding economic prospects of Bangladesh Tourism Industry and its existing constraints and challenges. Besides, informal interview method was followed to discuss with the administrative officials of some service providing organization in Cox's Bazaar spot. Statistical tools like average, percentage, have been used to analyze and interpret the data and information.

2. Findings and Results of the Study

2.1 An Overview of Historical Background of Cox's Bazar and its Various Potential Tourism Products

2.2.1 Brief Historical Background of Cox's Bazar

Kôksho Bazar or Kôks Bazar is a town, a fishing port and district headquarter in Bangladesh. It is known for its wide sandy beach which is claimed to be the world's longest natural sandy sea beach (120 km). Miles of golden sands, towering cliffs, surfing waves, rare conch shells, colorful pagodas, Buddhist temples and tribes, delightful seafood--this is Cox's Bazar, the tourist capital of Bangladesh. The warm shark free waters are good for bathing and swimming & while the sandy beaches offer opportunities for sunbathing. Miles of golden sands, towering cliffs, surfing waves, rare conch shells, colorful pagodas, Buddhist temples and tribes, delightful seafood--this is Cox's Bazar, the tourist capital of Bangladesh. The town is named after lieutenant Cox, who died here in 1798 after he had established a colony of Moth who sought shelter in British territory after the conquest of Arakan by the Burmese two third of the population of the town are descendants of these refugees. Miles of golden sands towering cliffs, pagodas, Buddhist temples and tribes, delightful seafood. Having the world's longest (120-km) beach slopping gently down to the blue waters of the Bay of Bengal. Cox's Bazar is the most attractive tourist spot in the country.

The attractive local variety of cigars and handloom products of the Rakhyne tribal families are good buys for the tourists'. Their unique customs and costumes attract visitors from home and abroad. Cox's Bazar tourist resort has a mine hole Golf course in addition to varied other tourist facilities. Visits to the fascinating spots at Inani, Himchari, Teknaf, southern most tip of Bangladesh, Buddhist temple at Ramu and nearby islands of Sonadia, Moheshkhali and coral island St. Martin are a memorable experience of a lifetime. Local hotels arrange beachside accessories for the tourists at Cox's Bazar The beach is the main attraction of the town. Larger hotels provide exclusive beachside area with accessories for the hotel guests. Visitors in other hotels visit the Laboni beach which is the area of the beach closest to the town. Other than the beach there are several places of interest near the town which can easily be visited from town center.

2.1.2 Various Tourist Attractions (tourism products) of Cox's Bazar and its nearer

Areas :

Bangladesh is fast emerging as an alluring tourist spot on the global map. Our tourist attractions are widely spread throughout the country. The country's historical legacy is composed of various strands, including Islamic, Hindu, Buddhist and British (Rahman 2007). However, major tourists attractions of Cox's Bazar (tourist's capital of Bangladesh) are discussed below:

- **Laboni Beach:** This is the main beach of **Cox's Bazar** and is considered the main beach due to the fact that it is closest to the town. Close to the beach, there are hundreds of small shops selling souvenirs and beach accessories to the tourists.
- **Himchari:** It is located about 18 km south of Cox's Bazar this picnic spot is famous for its waterfalls. The road to Himchari runs by the open sea on one side and hills on the other which makes the journey to Himchari very attractive.
- **Inani Beach:** Located 35 km south of Cox's Bazar, this white sandy beach is located within Ukhia Thana. This beach is famous for its golden sand and clean shark free water which is ideal for sea bathing. Most tourists prefer to come down here for relaxing because it is free from the crowd of tourists that is usually seen at the Laboni beach.
- **Aggmeda Khyang:** a large Buddhist monastery, and a place revered by around 400,000 Buddhist people of Cox's Bazar; and the Chittagong Hill Tracts. The main sanctuary is posted on a series of round timber columns. It has a prayer chamber and an assembly hall along with a repository of a large of small bronze Buddha images and a number of old manuscripts.
- **Ramu:** about 10 km from Cox's Bazar, is a village with sizeable Buddhist population. The village is famous for its handicrafts and homemade cigars. There are monasteries, khyangs and pagodas containing images of Buddha in gold, bronze and other metals inlaid with precious stones. One of the most interesting of these temples is on the bank of the Bagkhali River. It houses not only interesting relics and Burmes handicrafts but also a large bronze statue of Buddha measuring thirteen feet high and rests on a six feet high pedestal. The wood carving of this khyang is very delicate and refined. The village has a charm of its own. Weavers ply there trade in open workshops and craftsmen make handmade cigars in their pagoda like houses (www.bangladesh tourism.gov.bd/).

Other Important Tourism Products near the Cox's Bazar

□ **Maheshkhali** : It is a small island (268 square kilometres) off the Cox's Bazar coast. The island offers panoramic scenic beauty and is covered by low hills and mangrove forests. Adinath, a temple of Shiva, and a Buddhist pagoda are also located on the island.

□ **Dulhazra Safari Park**: This safari park is an extension of an animal sanctuary located along the Chittagong-Cox's Bazar road about 50 km from Cox's Bazar town. The sanctuary itself protects a large number of wild elephants which are native to the area. In the safari park there are domesticated elephants which are available for a ride. Other animal attractions include lions, Bengal tigers, Crocodiles, Bears, Chitals and lots of different types of birds and monkeys.

□ **Sonadia Island** : A small island of only 9 square kilometers. The western side of the island is sandy and different kinds of shells are found on the beach. Off the northern part of the island, there are beds of window pane oysters. During winter, fisherman set up temporary camps on the island and dry their catches of sea fish. Sonadia Island supports the last remaining part of mangrove forest in southeast Bangladesh. Sonadia's mangroves are distinct from the well-known sunderbans, due to their development in a coastal lagoon setting rather than in a delta.

□ **Teknaf**, a place situated by the side of Naf river is the southernmost part of mainland Bangladesh. This also marks the end point of Cox's Bazar beach. Tourists usually come here to have a river cruise along beautiful Naf river, which flows between Bangladesh and Myanma.

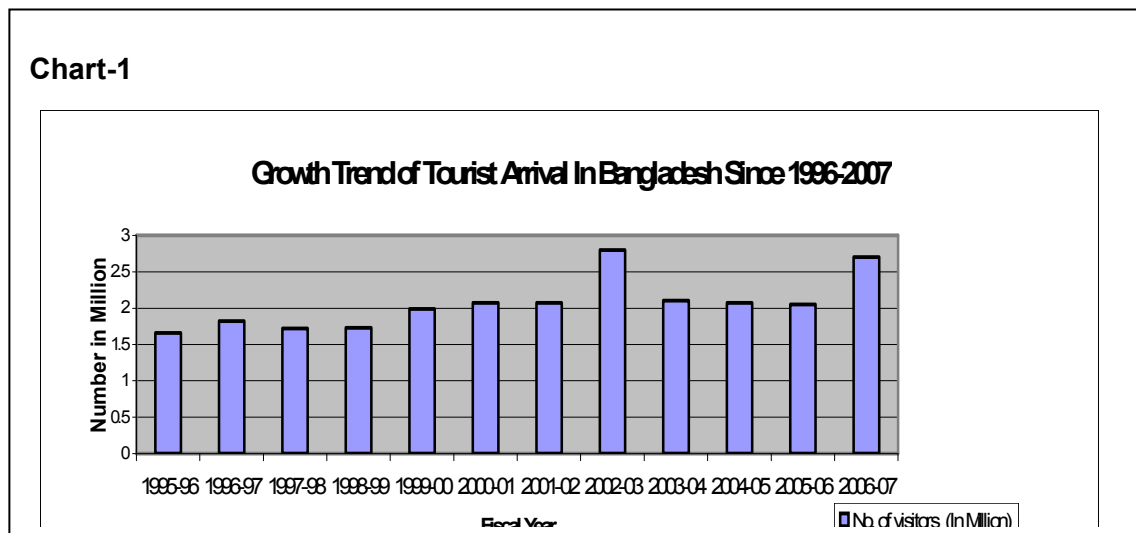
□ **St. Martin's Island**, a small island in the northeast part of the Bay of Bengal, about 9 km south of the tip of the Cox's Bazar-Teknaf peninsula. It is the most beautiful and only coral island in Bangladesh where tourists' will find live corals. It is only 30 km from Teknaf and visitors can go there by local motorboat, tourist boats, Keri Sindabad or Sea Truck. This small coral island about 10km (6mi) southwest of the southern tip of the mainland is a tropical clich with beaches fringed with coconut palms and bountiful marine life. It is about 8 km west of the northwest coast of Myanmar at the mouth of the Naf River. The local name of the island is "Narical Gingira Janjina/Jinjera", Bangla, meaning 'Coconut Island'(http://en.wikipedia.org/wiki/Cox's_Bazar).

From the above analysis, it can be said that the tourism industry of Bangladesh in general and Cox's Bazar spot in particular has great potentials both as a foreign exchange earner and

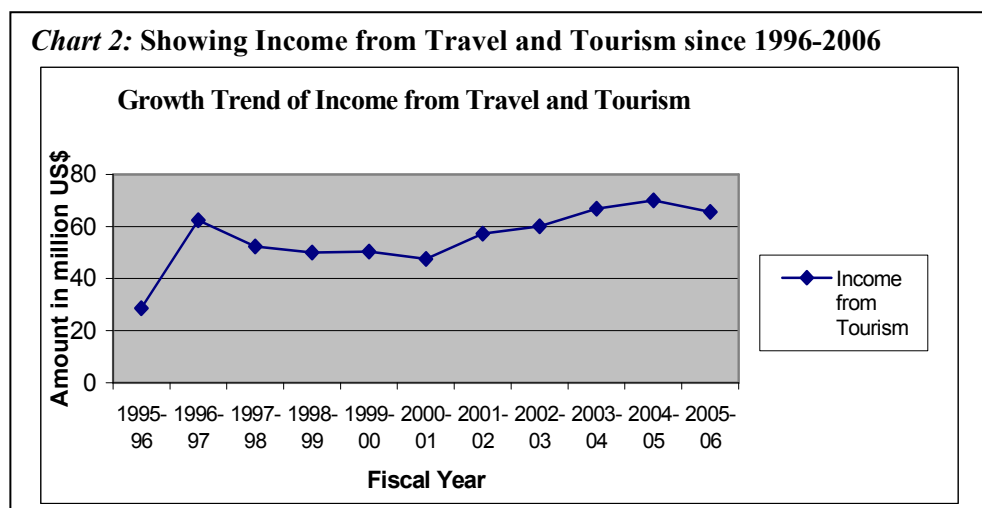
provider of job opportunities with the resultant multiplier effect on the country’s economy as a whole.

2.2 Present Status and Performance of Tourism Industry in Bangladesh

It is widely recognized that tourism can play a very important role in the economy of a developing country. Besides improvement in the balance of payments, it generates many other socio-economic benefits including the expansion of economic activities and employment opportunities (Khan 2001). It is stated in the previous section, that recently Cox’s Bazar of Bangladesh has been treated as a rising tourists’ zone to most of the worldwide tourists’ to enjoy their holidays. Yet, the country fails to attract huge potential tourists and income from home and abroad due to its inadequate infrastructure facilities, social security, corruption and terrorism, etc. The below *Chart –1& 2* show the picture vividly.



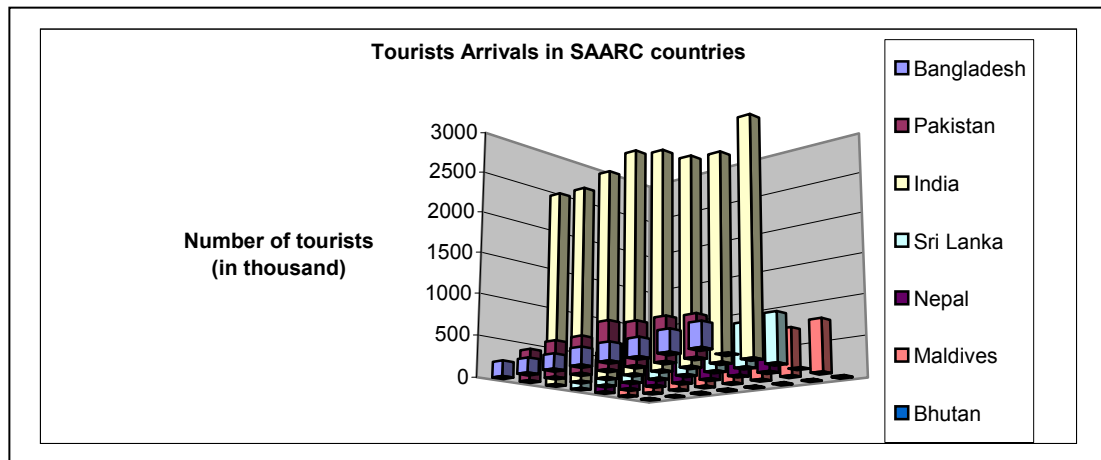
Source: Table –1 in Appendix-1



Source: Table –1 in Appendix-1

The Above charts show the growth performance of tourist arrivals and income from travel and tourism in Bangladesh over the years. The overall growth trend of tourist arrivals shows disappointing picture except the year 2003. However, in the fiscal year 2006-2007, arrival of foreign tourists in Bangladesh grew by 35% from the previous year (Media Bangladesh, April, 2008). But the actual growth in the last five years is almost nil (Table –1 in Appendix -1). On the other hand, *chart-2* reveals the overall growth performance of income from tourism. From the year 1998-2002, the growth trend of income/ foreign exchange is showing very unsatisfactory picture for Bangladesh. But later years performance shows satisfactory position except the year 2006. If we compare the SAARC tourist’s arrivals we can easily see the condition of Bangladesh.

Chart-3: Showing International Tourists Arrivals in SAARC Countries from 1997-2003

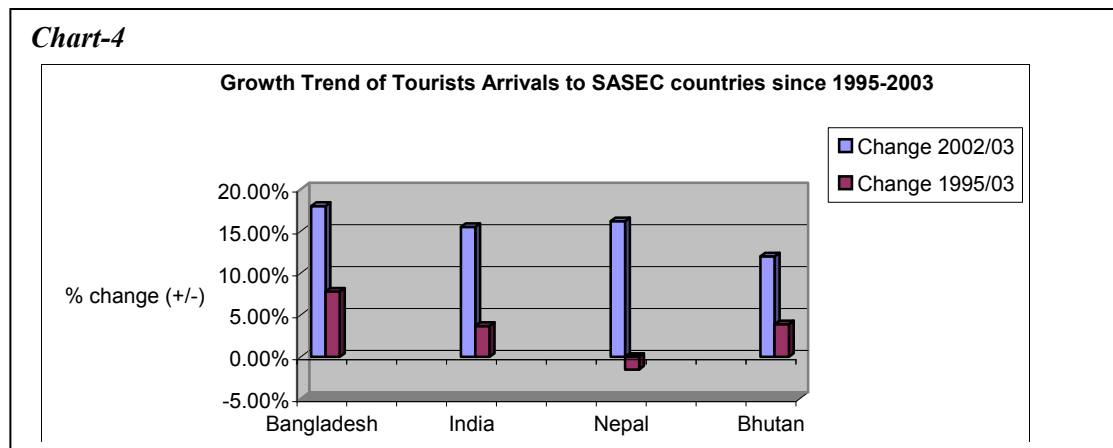


Source: Table –2 in Appendix-1

In comparison with SAARC countries statistics, Bangladesh’s share from tourism is not up to the mark. The above *Chart- 3* reveals that in case of international tourist arrivals in SAARC countries, India occupies first position and second position is occupied by Maldives; Sri Lanka is in the third position, then Pakistan and others. Bangladesh has not been able to reap the full benefits from this sector according to its potentiality. Bangladesh has a host of tourist treasures

to offer to international tourists - beaches, lakes, rivers, hills, forests, wildlife, tribal life, archaeological remains, including historical monuments, folklore, religious and cultural heritage, handicrafts and much more. All these combined are enormous tourist products for international tourists, if properly exploited can fetch the country its due share of the ever-expanding world's tourist trade.

In the above context if we compare the recent growth performance of tourist arrivals of SASEC⁷ countries including Bangladesh, we can see the bright future of this industry in Bangladesh. The below chart -4 reveals the economic growth of tourists arrivals of SASEC countries.



Source: Table -4 in Appendix -1

The above chart reveals very attractive growth performance of Bangladesh (7.8%) in case of tourist arrivals compared to other SASEC countries since 1995 to 2003). In the same period, the chart-4 also show growth trend of India (3.7%), Bhutan (3.9 %) and Nepal (-1.5%) respectively. Besides, in the year 2007, arrival of foreign tourists in Bangladesh grew by 35% from the previous year (2006), where as in India, the same year the growth trend of tourism is 12.34 % (The New Nation May 20, 2008). From the above analyses, it is crystal clear that tourism sector of Bangladesh has huge prospects to be an important driving force of rapid economic development of the country. For Bangladesh, it should be a matter of great opportunity to enrich its economy by developing its tourism sector, which unfortunately has been at low ebb and could not be any significant contributory factor for its economic development.

⁷ SASEC-South Asian Sub regional Economic Cooperation

2.3 Review of Existing Government Initiatives and Investment Opportunities for the Tourism Development

2.3.1 Government Initiatives

Bangladesh possesses tremendous tourism potential, which has yet to be exploited. The Industrial Policy of 1999(Annex-2) included tourism as an industry and identified it as Thrust Sector. In the national tourism policy framed in 1992, tourism's contribution to poverty alleviation has also been recognized, but in the later draft policy 2003-2007, tourism was not included as a thrust sector. The so-called Thrust Sector has received no thrust this far (The Bangladesh Monitor July 16 2008). All the governments of Bangladesh-past and present-transmitted strong signals about their seriousness to put tourism development on right-track and to secure for the country some benefits of current worldwide tourism boom. But all the promises and assurances were contradicted by not providing adequate funds for the development of tourism infrastructure and promotion of Bangladesh to dispel its negative image (Siddique 2006). According to the official sources, for the development of tourism sector in Bangladesh around Tk. 57 crore had been earmarked in the national budget (2007-08), which was 2.1 percent of the total government expenditure but in the latest budget (2008-09) no allocation was made for tourism development (The Bangladesh Monitor, July 15 2008).

Following the independence of Bangladesh, tourism development plans were prepared with foreign assistance. The latest five-year development plan and other perspective plans on tourism development were prepared with assistance from the World Tourism Organization (WTO) and the United Nations Development Programme (UNDP). Domestic private sector investments in the development of this industry have been made in an uncoordinated manner, so they have not achieved any remarkable progress (Khan 2001). However, considering various prospective economic benefits and global competition, at present, caretaker government has initiated an effort to create a new National Tourism Organization (NTO) to put tourism on right track and kick-start its development. Series of meetings of stakeholders are now being held to exchange views to give final shape to the proposed NTO (The Bangladesh Monitor, July 1 2008). In the first ever roundtable on immediate needs to develop tourism in Bangladesh brought together all the stakeholders of tourism industry and identified a number of immediate actions to be taken to set the development on right track (The Bangladesh Monitor, June 16, 2008):

- As recommended in keynote paper, Mahbub Jamil, Special Assistant to Chief Adviser, in-charge of the Ministry of Civil Aviation and Tourism announced that law concerning formation of National Tourism Authority (NTA) is in final stage and the authority is likely to come next month (July).
- He also said that the proposed NTA would be powerful and independent. In drafting the concerned law, structures of national tourism organizations of Malaysia, Singapore, Thailand, Nepal and Sri Lanka have been studied. The proposed NTA would perform the job of regulator and facilitator.
- The business in tourism industry will be left for businessmen.
- The Special Assistant to Chief Adviser said the question of country branding would be taken up after the formation of NTA. Development of infrastructure would also be taken up according to short, medium and long-term plans.
- Policy of public private partnership would be followed in developing tourism infrastructure. He said that the government should take the lead in this building infrastructure and would leave the field jobs to the private sector. About negative image of the country, Mahbub Jamil said, "We are greatly responsible for that." He mentioned practice of security screening at hotels in Dhaka and said this make the visitors apprehensive without any valid reason.

However, the success of the effort rests on the final outcome and the ability of the proposed NTO/NTA to translate the vision behind its creation into reality. The past experience in this regard is bitter. We can recall the fate of current NTO-the Bangladesh Parjatan Corporation (BPC). The vision and purpose behind creation of BPC as a corporation, was to free it from government control. But taking advantage of adequate legal protection, it was turned into an organization, worse than a government department. BPC enjoyed no freedom even to spend its own earnings, employ, promote or transfer its employees though like government department it received no fund from revenue budget (The Bangladesh Monitor, July 1 2008). Besides, as a main and only government institution in tourism development BPC's existing initiatives are not up to the mark to meet global competition. It fails to attract foreign tourists due to some limitations (The New Nation, December 6 2006). Resource constraint may be one of the main limitations of government intervention to develop tourism sector widely in Bangladesh.

2.3.2 Private Investment Opportunities

Bangladesh is a developing country, and therefore, its economy does not permit huge investments in the development of infrastructure facilities especially in identified areas for tourism development. Inadequate funding by the government in the tourism sector is also a major impediment to tourism infrastructure development. The government is therefore taking appropriate measures to attach due priority in the tourism sector so that economic benefits can be realized as has been done in other countries (Khan 2001). The Board of Investment in Bangladesh is working diligently to attract local and foreign investments in the private sector. From an analysis of recent statistical data, it is evident that 77 percent of the total investment in the national economy is coming from the private sector, which is playing a very significant role in the growth of GDP in the economy of Bangladesh (Embassy of Bangladesh, Stockholm 2007). To encourage more and more private investments in this sector, it is very important to ensure congenial investment environment in the country and government support is vital in this regard. Considering the aforesaid issues, at present, government has taken necessary measures to encourage the private sector to play a positive role in the development and diversification of tourist facilities; and to promote domestic and international tourism in the country.

In the above context, present caretaker government is highly keen to stimulate the economy and transform a poverty-stricken economy within short time. Government has liberalized the industrial and investment policies in recent years by reducing bureaucratic control over private investment and opening up many areas. Major incentives are shown in the as following figure -1:

Figure -1: Showing major incentives for Foreign Investors in Bangladesh

1. Tax Exemptions:	Generally 5 to 7 years. However, for power generation exemption is allowed for 15 years.
2. Duty:	No import duty for export oriented industry. For other industry it is @ 5% ad valorem.
3. Tax Law:	i. Double taxation can be avoided in case of foreign investors on the basis of bilateral agreements. ii. Exemption of income tax up to 3 years for the expatriate employees in industries specified in the relevant schedule of Income Tax ordinance.
4. Remittance:	Facilities for full repatriation of invested capital profit and divided.
5. Exit:	An investor can wind up on investment either through a decision of the AGM or EGM. Once a foreign investor completes the formalities to exit the country, he or she can repatriate the sales proceeds after securing proper authorization from the Central Bank.
6. Ownership:	Foreign investor can set up ventures either wholly owned on in joint collaboration with local partner.

Source: BOI Report, 2008 site available at: http://www.boi.gov.bd/invest_incentive.php

Due to taking some drastic measures to open investment climate in Bangladesh, recently, some domestic private organizations like the **Concord Group** and others have seen coming forward. To establish and develop tourism in Bangladesh, Concord Group has taken some projects like Fantasy Kingdom, Water Kingdom, and Heritage Park. etc. especially in Dhaka and Chittagong. Foreign investors also have shown keen interest to invest in tourism development of Bangladesh.

Proposed investment offers to develop Cox's Bazar and nearest tourism sites

- Ras Al Khaimah royal family is interested to invest US\$2 billion to develop Sonadia Island as tourist resort as well as Cox's Bazar airport to facilitate movement of tourists
- Chinese also interest in building a sort of China Town near Cox's Bazar for tourist coming from Kunming to use the beach as the nearest beach to the people of Kunming, which is 6,500 kilometers away (The Bangladesh Monitor, July 1 2008).
- Bangladesh and China agreed to open a road link between the two countries through Myanmar to ease transportation of goods for further expanding bilateral trade. The two countries have also decided to swap air flights by their national airlines to boost business and tourist exchanges. The road link will connect Bangladesh with China's southwestern Yunnan province, which is the closest in proximity between the two countries (SDNP, 2004).

2.4 Constraints and Challenges of Tourism Sector in Bangladesh

From the findings of the present study, it is seen that tourism industry of Bangladesh has been facing multisided problems. It mainly lacks government proper planning and infrastructure facilities, deterioration of law and order system (corruption & terrorism). However, according to the findings of this study and previous research reports, the following are main barriers of tourism development of Bangladesh in general and Cox's bazaar in particular:

➤ **Inadequate Infrastructure Facilities**

Existing infrastructure facilities is not modern and developed in Bangladesh. For this reason in spite of the presence of many tourism potentials, Bangladesh's share of income from tourism is very poor (Table-2). With poor infrastructure, little marketing sense and direction, and a national carrier too busy serving the labor traffic, tourism potentials of Bangladesh this far remained unexploited. One of the key aspects of infrastructure is the availability of monetary funds during travel. Even until recently, the ATMs outside Dhaka aren't connected to the

international network, and traveler's cheques are very difficult to cash. Due to counterfeiting, many stores accept only "beautiful" (crisp and clean) bills.

➤ ***Lack of Modern and Adequate Recreation Facilities***

To attract more and more foreign tourists our existing recreation facilities are not sufficient and modern. For example, boating, wind surfing, horse racing and other modern playing instruments with local recreation facilities etc. are not available in the Cox's Bazaar and other tourism spots of Bangladesh.

➤ ***Negative Impact of Security and Safety***

Social security and safety has great impact on tourism development in any region like Bangladesh. Security system is yet to develop in the main cities to all tourist spots including Cox's Bazaar. The security system is very disappointing in the road sides while coming tourists especially from Chittagong to Cox's Bazar and other spots. Terrorist activities mainly hijacking and kidnapping are the main reasons of tourists for not staying for longer period in Cox's Bazar and other spot (Amin, 2006, Siddique, 2006).s. Moreover, due to lack of sufficient and safety, foreign tourists seldom stay in the beach area after evening time to enjoy the rare natural beauty (sunset) without any anxiety.

➤ ***Visa Problems***

Visa policy of government is one of the main reasons behind the foreign tourists' unwillingness to visit Bangladesh. If the government lifts visa restrictions for visitors from Europe, USA and other western countries, around 20 lakh foreign tourists will come to Bangladesh in a couple of years. Now it requires about 15 to 20 days for a Bangladeshi visa **even for a European citizen (The Daily Star, May 29, 2008).**

➤ ***Lack of Human Resources in Different Parjatan Sector:***

Trained human resources play vital role to develop tourism in any region like Bangladesh. In this regard Bangladesh Parjatan Corporation has established National Hotel Tourism Training (NHTTI) in 1974. A two years diploma course on Hotel-Management has been started in 2002. As many as twenty four thousand students have been trained in different courses here till today. Many of them are working at home and abroad (<http://www.bhclondon.org.uk>). However, the above initiatives of BPC are not sufficient to meet needs of all tourists' spots in the country.

Besides, some recent research findings (Siddiqui 2006, Rahman 2007, and Parveen 2008) prove that still there are acute shortage of tourism experts in most hotels and motels of tourist areas in Bangladesh.

➤ ***Country's poor image***

Bangladesh, whose image abroad tends to revolve round its being one of the poorest countries in the world and prone to natural calamities like flood and cyclone, is not an obvious tourist destination. The tourism industry has also suffered significantly due to the bomb attacks in the year 2005. In addition to this, negative image of the country in the international tourism market has not helped change the view of the west for Bangladesh

➤ ***Lack of FDI in Tourism Industry***

A good presence of FDI is seen in many sectors (like IT, Garments, Medicine, Communications etc.) of Bangladesh except tourism. Government should provide special facilities to both local & foreign investors to invest in this industry considering its economic growth and development. For instance, Sri Lanka encourages, 100 % FDI in the tourism sector development of their country. Government may give **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.

➤ ***Lack of Proper and Updated Information***

Cox's Bazaar definitely needs to be advertised properly on the popular tourist related web sites. There should be coordination of information and services between these websites and popular hotels, restaurants, shops and travel services of Cox's Bazaar and other tourists' spots of Bangladesh. We need to take pragmatic steps to develop and update our websites to increase international tourist flow. For instance, Cambodia has its tourism websites in eight languages; Thailand, Malaysia, Indonesia in 12 languages, and we have ours only in one language, in English

3. Concluding Remarks and Policy Measures

For at least one third of the developing countries, tourism receipts are the main source of export revenue and the tourism industry generates substantial economic benefits to the developing countries. From the overall discussions and analyses of the research it is very much clear that

tourism industry has a great impact on the overall economy of Bangladesh. Present caretaker government recently took significant steps towards liberalizing scopes and facilities for establishing a transparent legal framework. Moreover, as we have resource constraints and our per capita income is very poor (US\$ 456)⁸, government can create more favorable domestic conditions for attracting private sector investment. To achieve the goals and challenges set for the travel and tourism industry in Bangladesh require a strong and co-operative partnership between government departments as well as national tourism authorities, international and national trade associations, and the travel and tourism private sector. However, as per findings the present study and policy guidelines of other recent researches, a number of suggestions, however, are made below that would help to ensure proper and timely development and modernization of tourism industry in Bangladesh.

- ✓ Government may establish a have a high-powered independent tourism authority (**National Tourism Board**) to guide tourism development in the country. The authority must be the facilitator and promoter of tourism and perform all campaigning activities including infrastructure development. It can coordinate with the authority of hotel, motel and tourists for the organized development of tourism industry in Bangladesh Under present organizational structure, BPC cannot function as regulatory and promotional body (The Bangladesh Monitor, July 1 2008),
- ✓ For campaigning activities, government can employ trained manpower countrywide and who continuously will work to include all scenic beauties, prospective tourism products, and update previous tourism sites including Cox's Bazar.

- ✓ Public and Private partnership may play vital role to develop and modernize Bangladesh tourism as per global competition. Government should address such issues as creating a conducive environment, providing investment incentives, introducing adequate and supporting legislation and building public sector capability for the formulation and prioritization of projects and negotiations.
- ✓ Investment in convertible foreign currencies by foreign investors, and the option to establish public/private limited companies or sole proprietorship concerns, could be allowed.

⁸ Bureau of South and Central Asian Affairs May 2007.

- ✓ To ensure better communications telex, fax and international dialing services, e-mail and Internet connections through a satellite system need to be made available in the tourist spot specially in the Exclusive Tourist Zones (ETZs) in Cox's Bazar and other important spots.
- ✓ Adequate communication services especially rail; roads, and street in all tourism spots must be ensured. Roads from Dhaka to Chittagong, Chittagong to Cox's Bazar, and its other nearer spots need drastic improvement. As Govt. has resource constraints so, it should allow Travel Agents Association of Bangladesh, to import luxury coaches at reduced tax to carry tourists in the important spots.
- ✓ As stated earlier that visa policy of government is one of the main reasons behind the foreign tourists' unwillingness to visit Bangladesh. No tourism development will bring any good, if visa is not relaxed, Government can introduce an online visa tracking system by bringing all the land ports and airports connecting through internal network and can monitor visitor's entry and exit date and time automatically (The Daily Star, May 29, 2008)
- ✓ BPC needs to be turned into a self-governed and self-controlled body if the government wants to turn the tourism industry into a profitable venture (The New Nation June 15, 2008).
- ✓ Government should ensure proper security and safety system in the country in general and tourism spots in particular. In this regard more strong involvement of joint forces)⁹ play vital role to control unwanted events (Hijacking kidnapping tourists) occurring while coming from main city to tourism spots (Cox's Bazar and other spots). In the remote areas and roads, involvement of 'tourist police'/ joint forces to ensure security and safety will lead to increase more foreign tourists in Cox's Bazar and other spots.
- ✓ As the concept of economics has changed globally, we have to introduce public-private partnership in this industry. Moreover, as our govt. has resource constraints and bureaucratic problems only govt. initiatives are not adequate to develop tourism rather

⁹ Joint forces- Police RAB and Army

public private partnership is a demand of the day to develop infrastructure and modern recreation facilities (like –boating, wind surfing, horse racing and other playing instruments as per international standard) as well as local cultural activities for the enjoyment of tourists.

✓ To control unwanted situation as well as death hazards in the beach areas, it is very important to set up and develop weather forecasting (during sea bathing) system and like **Yasir Life Guard**, other institutions may set up for the rapid safety and security of the tourists.

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Appendix-1**Table-1: Growth of Foreign Tourist Arrivals and Foreign Exchange Earnings of Bangladesh over the years (1995-2007).**

No. of Years	No. of visitors (In Million)	Percentage of change (+/-)	Foreign Exchange Earnings (In Million US\$)	Percentage of change (+/-)
1996	1.66	-	28.59	-
1997	1.82	9.6%	62.45	96%
1998	1.72	-5.5%	52.37	-10%
1999	1.73	0.6%	49.95	-0.1%
2000	1.99	15%	50.37	7%
2001	2.07	4%	47.56	1.0%
2002	2.07	-	57.21	25%
2003	2.80	35.26%	60.10	-0.09%
2004	2.10	-25%	66.82	19.84%
2005	2.07	-15%	70.01	0.83%
2006	2.05	-13%	65.60	12%
2007	2.70	35%	n.a.	n.a.

Source: i) Tourism Statistics of Bangladesh –2004, ii) for Shaded figures - Bangladesh High Commission, London, UK, available at: <http://www.bhclondon.org.uk/>, and Media Bangladesh, April 6 2008, available at: www.mediabangladesh.net/news-political.php?

Table-2: International Tourist Arrivals of SAARC Countries (1997-2004 (Number In Thousands

Country/Region	Fiscal Years							
	1997	1998	1999	2000	2001	2002	2003	2004
Bangladesh	182	172	173	199	207	207	244	271
Pakistan	375	429	432	557	500	498	469	NA
India	2395	2382	2508	2677	2591	2428	2384	2726
Sri Lanka	384	409	465	445	397	457	501	566
Nepal	422	464	492	464	361	275	338	NA
Maldives	366	396	430	467	461	485	564	616
Bhutan	5	6	7	8	6	6	6	9

Source: WTO (World Tourism Organization) quoted in Tourism Statistics of Bangladesh, 2004.p.2, NA –Not Available.

Table –3: Foreign Tourist Arrivals to SASEC Countries since 1995-2003 (Number In Thousands)

<i>Country/ Region</i>	<i>Fiscal Year</i>										
	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>Change 2002/03</i>	<i>Change 1995/03</i>
<i>Bangladesh</i>	<i>156</i>	<i>167</i>	<i>182</i>	<i>172</i>	<i>173</i>	<i>199</i>	<i>207</i>	<i>207</i>	<i>244</i>	<i>18.0%</i>	<i>7.8%</i>
<i>India</i>	<i>2124</i>	<i>2288</i>	<i>2395</i>	<i>2382</i>	<i>2508</i>	<i>2677</i>	<i>2591</i>	<i>2428</i>	<i>2384</i>	<i>15.5%</i>	<i>3.7%</i>
<i>Nepal</i>	<i>363</i>	<i>394</i>	<i>422</i>	<i>464</i>	<i>492</i>	<i>464</i>	<i>361</i>	<i>275</i>	<i>338</i>	<i>16.2%</i>	<i>-1.5%</i>
<i>Bhutan</i>	<i>4</i>	<i>5</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>6</i>	<i>6</i>	<i>6</i>	<i>12.0%</i>	<i>3.9%</i>

Source: Asian Development Bank TA 6131STU Final Report, 2004

Appendix-2

Thrust sectors in the Industrial Policy 1999:

1. Agro-based Industry
2. Artificial Flower Production
3. Computer Software and Information Technology
4. Electronics
5. Frozen Foods
6. Flower Cultivation
7. Gift Items
8. Infrastructure
9. Jute Goods
10. Jewelry and Diamond Cutting and Polishing
11. Leather
12. Oil and Gas
13. Cultivation of Silk worm and silk industry
14. Stuffed toys
15. Textile Industry
- 16. Tourism Industry**

Source: <http://www.dhakachamber.com/>