THE IMPACT OF ECONOMIC CRISIS ON TOURISM INDUSTRY: A BANGLADESH PERSPECTIVE

Md. Ziaul Haque¹

Abstract

The tourism sector is experiencing numerous challenges as a result of the global economic crisis. After a significant contraction in 2009, tourism rebounded strongly in 2010 and in 2011 the international tourist arrivals and receipts are projected to increase substantially. The Tourism industry is expected to show a sustained recovery in 2012. The crisis has particularly strong impact and slightly negative consequences in Bangladesh. The country is undergoing a political crisis, as well, and it seems that the forthcoming elections may be the only solution for the restoration of stability and social peace. In addition, tourism can be the driving force behind Bangladesh economic recovery. However, for its achievement the country’s policy makers should take several measures towards restructuring and improving the sector. These measures include: enhancement of alternative forms of tourism; environmental protection; creation of quality infrastructure; and boost of competitiveness through a tourism product that offers value for money.

Key words: tourism, crisis, Bangladesh, financial, recession, social peace.

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Received November 12, 2015; Revised December 1, 2015; Accepted December 18, 2015
I. Introduction

Tourism is one of the most important sectors in a large number of developing countries. Increases in economic growth, disposable income and leisure time, political stability, and aggressive tourism campaigns, among others factors, have fuelled the growth of tourism. After a significant contraction in 2009, tourism rebounded strongly in 2010 and in 2011 the international tourist arrivals and receipts are projected to increase substantially. There is no universally accepted definition of what constitutes a crisis and different writers present their own interpretations. However, it appears that three elements must be present: a triggering event causing significant change or having the potential to cause significant change; the perceived inability to cope with this change; and a threat to the existence of organizations (Keown-McMullan, 1997), as well as of tourists and members of the tourism industry (Henderson, 2006). Every crisis is unique displaying a remarkable range and variety (Henderson, 2006), yet characteristics generally cited include unexpectedness, urgency and danger (Hermann, 1972). The crisis has particularly strong impact and slightly negative consequences in Bangladesh.

Crises generated within the industry can also be analyzed under the headings of economic, socio cultural and environmental when tourism has negative impacts in these fields (Henderson, 2006). The external and internal threats of the economic crisis to the tourism industry are:

a) External threats: recession; currency fluctuations; and taxation.

b) Internal threats: rising costs; falling revenues; unprofitability (Sian et al., 2009).

Crises occur at all levels of tourism operations with varying degrees of severity, from much publicized environmental, economic and political disasters through to internally generated crisis such as accidents and sudden illness (Beeton, 2001). The travel and tourism industry is susceptible to a wide range of internal and external forces and is impacted heavily by crisis events resulting in negative tourist perceptions (Pforr & Hosie, 2009).

Economic downturn can undermine demand and possibly result in crisis for industries in origin and destination countries if the slump is sufficiently intense or prolonged. The
recession of the 1990s on the U.S. mainland contributed to decline Hawaii’s tourism from 1990 to 1993 and Japan’s economic difficulties had adverse consequences for its outbound tourism in the same decade, including travel to Hawaii (Sian et al., 2009). Tourism sector has emerged as a booming industry in many countries of the world. Tourism industry has been the main source of income of many third world countries like Nepal, Bhutan, Maldives, Thailand and many more. Bangladesh is one the unfortunate countries in the world who could not make any remarkable success in this sector in spite of its huge potentialities.

The main objective of the study is to identify the impact of economic crisis in tourism Industry in Bangladesh and specific objectives are:

a) to assess the contribution of tourism industry in Bangladesh economy;
b) to overview worldwide economic crisis in Tourism industry;
c) to find out the contribution of Tourism in employment in Bangladesh in recent years;
d) to identify the impact of political crisis on tourism sector in Bangladesh

e) to recommend some strategies for improvement of Tourism industry in Bangladesh

II. Methodology of the Study

Research methodology of the study focused on qualitative research. The present study has been done on the basis of secondary data published by the concerned local and international authority and institutions. This study also made on the basis of data mainly published by Bangladesh Parjaton Corporation, some local newspaper news and the data from Bangladesh Tourism board, Bangladesh Bank Ministry of finance, Ministry of civil aviation and Tourism. World bank and some tour operators. In addition, interviews with some concerned official of Bangladesh bank, Bangladesh Parjaton Corporation, Ministry of civil aviation and tourism, Bangladesh Tourism Board and some tour operators were also made to know the impact of Economic crisis in tourism industry in Bangladesh. Apart from these data, extensive study of Impact of Economic crisis on Tourism Industry in different countries around the world has been made to apprehend the critical issues of this report.
2.1 Tourism profile in Bangladesh:

Bangladesh is a country of vast, largely unknown and unspoiled natural beauty and reserves, which are unique and fascinating. These natural phenomena are composed of hills and vales, forests, rivers, lakes, sea and beaches, and the evergreen landscape embracing the country. Bangladesh - the land of Royal Bengal Tiger, nature has bestowed it with all the beautiful shades of green. This large delta rises from the Bay of Bengal and does up to the footsteps of the west, north and east, a little strip of the south-east is connected with Myanmar. The mighty Bay of Bengal guards its coasts in the southern part. As a new destination, Bangladesh has excellent tourist attractions, which includes archaeological sites, historic monument, pagodas, temples, mosques and churches, tea gardens, beautiful lakes, tribal people & hills, resorts and enchanting sea beaches, deep forest and wild life. Bangladesh though a small country has many diverse attractions for the nature lovers as well as is rich in culture and heritage. The natural environment, our communities, cultures and businesses are all part of what makes up the tourism industry. Sustainable tourism in its purest sense is an industry which attempts to make a low impact on the environment and local culture, while helping to generate income, employment, and the conservation of local ecosystems. It is responsible tourism that is both ecologically and culturally sensitive. Bangladesh offers tourists a variety of attractions in almost every part of the country. Bengal had always attracted tourists. Travelers from different parts of the world had interest in this part of the world since very ancient times. They visited Bengal with varied purposes. As tourism in its modern sense is a relatively recent phenomenon, it took its start in the present Bangladesh area only during the 1960s. Tourists from abroad came to see and enjoy the sea beach, scenic beauty of the landscape covered with lavish greens and the web of rivers, tribal culture, religious rituals, historical places, forests, wild life and hill resorts. Bangladesh is located in an advantageous position from tourism point of view. It is in the macro Asiatic Air Traffic Corridor. Being so located it is comparatively easier for this country to share this traffic for promoting tourism.

2.2 Classification of Tourists in Bangladesh Perspective:

According to a sample survey, the tourists' arrivals in Bangladesh are classified in the
following categories:

<table>
<thead>
<tr>
<th>Table: 01</th>
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<tbody>
<tr>
<td>A</td>
</tr>
<tr>
<td>B</td>
</tr>
<tr>
<td>C</td>
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<tr>
<td>D</td>
</tr>
</tbody>
</table>

Figure: Shows the Categories of Tourists, [Source: Bangladesh Parjatan Corporation in 2012]

2.3 Tourism potential of Bangladesh:

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. In the south-east the country has a 120 km long beach of soft silvery sand, perhaps the world's longest, in a Riviera-like setting with crescent-shaped low hills overlooking the Bay of Bengal.

The ranges of the hills clad in lush green thickets are treasured locations for eco-tourists and wildlife watchers. At the head of this terrain is Cox's Bazaar which is as romantic as its name is to the outside world. The Hill Districts to the north and north-east of Cox's Bazaar nestle the Kaptai and Rangamati lakes, an 840 sq.km body of crystal clear water lying in sylvan shadows not far from where a dozen hill tribes follow their traditional life-styles. The Tea District of Sylhet in the far north-east of the country has prospects of tourism, as does the Sundarbans, a large mangrove forest in the South which is home of the Bengal tiger; remains of palaces of old principalities and archaeological sites of Buddhist monasteries. Shrines and holy places, mosques and temples, particularly in the northern part of the country, are among the tourist treasures of Bangladesh.
2.4 The Impact of Economic Crisis on Tourism Worldwide:

The current financial crisis that began in 2007 has created the greatest financial disorders since the Great Depression of the 1930s (Melvin & Taylor, 2009). As with most industries, the tourism sector is experiencing numerous challenges as a result of the global economic crisis. The industry is feeling the impact of a shrinking capital market and decreased spending by both corporate and individual consumers (Global Financial Crisis Bulletin, http://www.protiviti.com/).

According to the World Tourism Organization (UNWTO) the key trends in international tourism during 2010 were the following:

a. Worldwide, international tourism rebounded strongly, with international tourist arrivals up 6.6% over 2009, to 940 million.

b. The increase balanced the decline caused by the economic downturn, with an additional 23 million arrivals over the former peak year of 2008.

c. In 2010, international tourism receipts are estimated to have reached US$ 919 billion worldwide (693 billion euros), up from US$ 851 billion (610 billion euros) in 2009, corresponding to an increase in real terms of 4.7%.

d. As a reflection of the economic conditions, recovery was particularly strong in emerging economies, where arrivals grew faster (+8%) than in advanced ones (+5%).

e. The international tourist arrivals are projected to increase in 2011 by 4% to 5%.

The World Economic Forum published its Travel & Tourism Competitiveness Report 2011 under the theme “Beyond the Downturn,” including the following findings: the Travel & Tourism (T&T) industry is slowly recovering from the Economic downturn, with the strong recovery being in emerging economies. The industry is looking for ways to develop new market segments and attract new customers. Indeed, T&T remains a critical economic sector worldwide, with the potential to provide economic growth and development internationally. A growing national T&T sector contributes to employment, raises national
income and can improve the balance of payments. Thus, the sector is an important driver of growth and prosperity, and, particularly within developing countries, it can play a key role in poverty reduction, as well. After a contraction of 4.2% in 2009, according to the UNWTO, international tourist arrivals rose again in 2010 and have returned to their pre-crisis peak level, representing a growth of 5 to 6% over 2009; they are expected to return to the long-term average of 4% in 2011. The World Travel & Tourism Council (WTTC) estimates that, from direct and indirect activities combined, the T&T sector now accounts for 9.2% of global GDP, 4.8% of world exports and 9.2% of world investment, returning to the position it held before the crisis.

During the downturn, travelers became less engaged with the traditional sun-and-beach destination brands and looked instead for the best value in a two-hour flight range. This has fuelled growth along the cheaper Mediterranean countries (e.g. Tunisia and Egypt) and left euro zone countries such as Spain, Greece, and Portugal coping with declining tourism traffic (World Economic Forum, 2011).

However, the political turmoil in the Middle East and North Africa at the end of 2010 and in the first months of 2011 has limited the tourism business sharply. As of mid May, 2011 tourist arrivals have declined sharply in Bahrain, Egypt, Jordan, Syria and Tunisia. According to the World Travel and Tourism Council, first quarter tourist arrivals in Egypt and Tunisia were off about 45% compared with the respective period of 2010. Of course some of these tourist arrivals and tourism spending will show up as an increase in tourism in other countries — although for the moment data do not indicate which developing countries might be the most significant beneficiaries (World Bank, June 2011).

The sector is more or less affected by the current economic conditions of developed and emerging countries. In the second half of 2008, a decline in international tourism began and intensified in 2009 after several consecutive years of growth. A sharp decline in tourist flows, length of stay, tourist spending and increased restrictions on business travel expenses led to a significant contraction of hotel & Tourism economic activities worldwide. These effects resulted from increased unemployment, market volatility, economic and social insecurity, and a significant decline in the average household income.
The data of 2001 and 2003 showed a decrease in international arrivals, but the 2002 showed more positive results (see figure 1). From 2004 to 2008, the UNWTO reported that worldwide international tourism arrivals had been increased though there is a ups and down movement of increasing rate. Also in 2009, the UNWTO reported that worldwide international tourism arrivals had declined by 4 per cent. Revenues from international tourism are projected to go down 6 per cent by the end of 2009. This projection can be seen in hotels within the United States which faced an average decline of 35.5 per cent in net income for 2009. Some 95 per cent of hotel properties suffered a downturn in room revenue and in total hotel revenue from 2008 to 2009. On average a 7.5 per cent decline in occupancy and a 12.1 per cent decrease in average daily rate were observed.

In the period 2008–09, the regions hit hardest by the decrease in worldwide international tourism were the Middle East (-4.9 per cent), Europe (-5.7 per cent), and the Americas (-4.6 per cent). Only Africa showed constant growth (+2.9 per cent), based on a comparatively lower travel volume.
2.5 The Impact of Economic Crisis on Tourism in Bangladesh:

Despite its poor-country status, increasing numbers of tourists have visited Bangladesh, a new but minor source of foreign exchange earnings. Tourism in the early 1990s amounted to some 49,000 visitors per year, but by 2012 more than 467,000 tourists--mostly from India, the United States, Britain, and Japan visited Bangladesh. According to the Bangladesh Parjaton Corporation (Bangladesh Tourism Corporation), some BDT 5562.6 million in foreign exchange was earned in 2012 from the tourism industry.

The Bangladeshi financial crisis is now take place from 2008 to recent time. It was affect our various industry as well as economy. For that crisis our country has faced many problem like increasing unemployment, drop down the GDP, consumer purchasing power goes down.

Along with all industry the tourism industry also get affected by the financial crisis. From the beginning of 1990 this industry start contributing in country’s GDP. Later on this sector create a unbelievable position and start booming like all other major industry. In 2001, the foreign exchange earnings from tourism sector were approx. BDT 2654 million. In 2010 we can see that these earnings rose rapidly and reached at approx. BDT 5562 million. From 2001 to 2010, at the middle of this period tourism was very much affected by global recession. If we see the foreign exchange earnings Table 2 and Figure 2& Figure 3, we can see the effect of financial crisis in 2007 foreign exchange earnings is reduced by 4.80% though in 2008 it shows the positive impact in the crisis situation but from 2009 again it shows falling down position. The earnings were dropped down by 5.92 % and 3.4% respectively in 2009 & 2010.
Table:02
Foreign Exchange Earnings from Tourism & Other Travels
(2001-2010) (Million Taka)

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2653.80</td>
<td>3312.60</td>
<td>3310.00</td>
<td>3967.56</td>
<td>4493.89</td>
<td>5530.65</td>
<td>5265.19</td>
<td>6124.52</td>
<td>5762.24</td>
<td>5562.70</td>
</tr>
<tr>
<td>% Change</td>
<td>1.02</td>
<td>24.82</td>
<td>-0.08</td>
<td>19.87</td>
<td>13.27</td>
<td>23.07</td>
<td>-4.80</td>
<td>16.32</td>
<td>-5.92</td>
<td>-3.4</td>
</tr>
</tbody>
</table>

Source: Adapted from Bangladesh Bank

N.B: Foreign Exchange Earnings 2010 All Figures are Provisional

Figure: 02 Foreign Earnings (BDT mn)

Figure: 03 Growth of Foreign Earnings (BDT mn)
The data above indicate that the turnover index in the tourism sector decreased by 5.92\% in 2009 compared to 2008 and by 3.46\% in 2010 compared to 2009. Bangladesh is ranked 127\textsuperscript{th} in the world in 2008 and 129\textsuperscript{th} in 2009 (decreased by 2).

The above graphs clearly indicate that financial crisis was influenced precariously to the tourism industry. After 2008 the foreign earnings falls down by 5.92\% and 3.46\%. These decreasing rates were affecting the national GDP as well.

Table: 03 Foreign Visitors Arrival by years 2000-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>199,211</td>
<td>207,199</td>
<td>207,246</td>
<td>244,509</td>
<td>271,270</td>
<td>207,662</td>
<td>200,311</td>
<td>467,332</td>
<td>267,107</td>
<td></td>
</tr>
<tr>
<td>% Change</td>
<td>15.30</td>
<td>4.01</td>
<td>0.02</td>
<td>17.98</td>
<td>10.94</td>
<td>-23.45</td>
<td>-3.54</td>
<td>44.33</td>
<td>61.65</td>
<td>-42.84</td>
</tr>
</tbody>
</table>

Source: Special Branch Of Bangladesh parjaton Corporation

This crisis influenced the economy badly. People’s consumption power was goes down. From Table-3 It is seen that Tourist arrivals were decreased by nearly 23.45\% in 2006 3.54\% in 2007 and 42.84\% in 2010. It indicates that economic crisis has negative impact on tourist arrival in Bangladesh. For that reason hotels and restaurant reduce their room rent so that earnings go down, income decreased. Low incomes tend to cut the amount of employees and the rate of unemployment rose. Many hotels and restaurant fail to repay the debt and closed down its business.

So far (November 2011), the tourism industry strengthened both in numbers of foreign arrivals (http://www.traveldailynews.com), as well as of hotel occupancy development related to 2010 (European Tourism: Trends & Prospects, Q3/2011). Taking into account the typical recession Bangladesh is facing nowadays, these developments are quite encouraging.

History has shown that Bangladesh will manage to survive and the country will be able to make its way out of the deep economic crisis. With the apposition of elements that is
to follow, effort is made in order for the current situation of tourism in Bangladesh to be determined. The table-3 shows the evolution of basic figures and performance indicators of the Bangladesh tourism for the years 2007, 2008, 2009 and 2010 (period of the global economic crisis).

A report of the World Travel Tourism Council (WTTC), posted in its website recently, said Bangladesh travel and tourism economy is ranked number 94 in absolute size worldwide, 170 in relative contribution to national economies and 31 in long-term (10-year) growth. It said the contribution of the Bangladesh travel and tourism industry to its GDP will stand at around 3.9 per cent or over $2.9 billion in 2008. But the following table shows the contribution of tourism in GDP during the world recession period is very slow.

In 2012, the tourism sector also registered Tk 3,730 crore investments, which is 1.6 percent of total investments for the year, according to the study World Travel and Tourism Council.

Table: 04 shows the Growth and Contribution of Tourism in GDP of Bangladesh

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth of GDP including Tourism</th>
<th>Growth of GDP excluding Tourism</th>
<th>GDP including Tourism</th>
<th>GDP excluding Tourism</th>
<th>Growth of Tourism (%)</th>
<th>Contribution of Service in GDP (%)</th>
<th>Contribution of Tourism in GDP (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>266978</td>
<td>263513</td>
<td>13.16</td>
<td>47.41</td>
<td>7.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005-2006</td>
<td>284673</td>
<td>279001</td>
<td>13.28</td>
<td>47.51</td>
<td>7.43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006-2007</td>
<td>302971</td>
<td>294466</td>
<td>13.73</td>
<td>47.66</td>
<td>8.47</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007-2008</td>
<td>321726</td>
<td>310107</td>
<td>10.38</td>
<td>47.92</td>
<td>8.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009-2010</td>
<td>360609</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Bangladesh Economic Review 2010, Ministry of Finance and World Travel & Tourism Council-2011

From the above table clearly indicate the contribution of tourism in GDP. In 2004-2005 it was 7%. Changes in % is 0.43, 0.48 and 0.52 in 2005-6, 2006-2007 and 2007-2008 respectively. But for the financial crisis in 2008-2009 change in % is slow that is only 0.37% but it is raised by 0.60% in 2010. So it is clearly indicated that financial crisis has a little bit negative impact on economy of Bangladesh.

<table>
<thead>
<tr>
<th>Basic Figures &amp; Performance Indicators</th>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution to GDP</td>
<td></td>
<td>3.33%</td>
<td>3.56%</td>
<td>4.2%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Contribution to Employment</td>
<td></td>
<td>1.18%</td>
<td>2.75%</td>
<td>3.2%</td>
<td>4.1%</td>
</tr>
<tr>
<td>International Tourism Receipts (bi.)</td>
<td></td>
<td>6.12 $</td>
<td>5.76 $</td>
<td>5.5 $</td>
<td>6.1 $</td>
</tr>
<tr>
<td>Average per Capita Expenditure</td>
<td></td>
<td>3.66 $</td>
<td>2.97 $</td>
<td>3.33 $</td>
<td>3.65 $</td>
</tr>
</tbody>
</table>


The above table reveals that 2009-2010 was a bad year for the Bangladeshi tourism as it concerns the international tourism receipts (the lowest tourism receipts Bangladesh) and the average per capita expenditure is also low. Nevertheless, during the next two years (2009 and 2010) the impact of economic crisis on the Bangladesh tourism figures is evident and resulted in the following rates:

- Slow Growing rate in contribution to GDP 2008-2011: 1.37%
- Drop Growing rate in international tourism receipts 2008-2011: 0.02%
- Drop in average per capita expenditure 2008-2011: 0.01%
- Slow Growing rate in Contribution to Employment 2008-2011: 3%

Though the contribution of hotel and restaurant services in our GDP is nominal but it has positive impact in our GDP.
From the figure it is visible that contribution of Hotel and restaurant in our economy is decreasing since the recession period. Since the recession period it has started to decrease and decreasing rate is 0.43%, 0.40%, 0.38%, 0.36%, 0.34% in 2007, 2008, 2009, 2010 and 2011 respectively. So it is supported by these data that Hotel and restaurant sector of Bangladesh is facing economic crisis due to financial crisis around the world.

A research showed that about 80 sectors are directly and indirectly involved with the tourism industry. The WTTC revealed in 2012 that about 12,81,500 people were directly involved (1.8% of total employment of the country) and 27,14,500 were people indirectly involved in tourism sector of Bangladesh, which will reach 38,91,000 by 2023 i.e. about 4.3% of total employment of the country.

### 2.6 The Impact of Political Crisis on Tourism in Bangladesh

The promotion and development of tourism also depends on image and a favorable socio-politico-economic condition. Tourist movement is a key challenge during hartals as transport operators refuse to rent vehicles for fear of vandalism. Tourism and politics have a close relationship in which domestic and international political conditions and developments
shape tourism flows and environment in which the industry operates. Tourism also impacts on political structures and processes and it is a policy making area of importance to most governments which seek to fully exploit the economic opportunities, as well as the social and political uses it affords. However, government actions, ideologies and political events are capable of triggering a range of crises and political instability in a common catalyst. It is not just the tour operators who are affected by the political unrest; hoteliers and airliners are also incurring huge loses.

It is well known that apart from the economic crisis, Bangladesh is also undergoing a serious political crisis. The combination of the economic and political crisis creates an explosive mixture and the legitimacy of the political system is seriously questioned, as a significant part of the population identifies a democratic deficit in the management of the crisis and is confronted with a worrying image for the future.

The political system of Bangladesh is considered very fragile at the moment and it seems that the only way out of the crisis is the forthcoming elections which are expected to bring back stability, optimism, prosperity and social peace to the country.

The recent political crisis (2013) has serious negative impact of tourism industry in Bangladesh. All inbound and outbound tourist have cancelled their schedule due to political crisis. As a result different business men related to tourism industry are facing serious difficulties. According to bdtravelnews.com due to political unrest each and every month tourism industry has lost revenue more than BDT 4,000,000. The total loss in tourism industry due to political crisis is more than BDT 12,000 crore. More than 20,000 peoples have been unemployed in tourism sectors due to serious political unrest in recent months (http://bdtravelnews.com). A research showed that about 80 sectors are directly and indirectly involved with the tourism industry. When a strike is called it affects the tourism industry, involving all the 80 sector (Howlader, 2013).

And as a nation moves into reconciliation with peace and stability beginning to take root, tourism can provide a method to explore the healing process, rebuild societies and reconnect nations or cultures that were separated through political conflict.
III. Recommendation & Conclusion:

We live in an era characterized by a very serious economic crisis that began in the U.S.A in 2007 and the continuous efforts made nationally and internationally to overcome this crisis. The tourism sector can play an important role as a driving force of economic development by contributing in three high priority goals of developing countries. As a result of the global economic crisis, the tourism industry in Bangladesh experienced a little bit downturn in sales and profitability, especially during 2009. In 2010, tourism rebounded strongly and in 2011 the international tourist arrivals and receipts are projected to increase substantially.

The crisis has particularly strong impact and negative consequences in certain countries. One of these countries is Bangladesh, in which the gross domestic product (GDP) has increased by 1.3. %, the domestic debt is 2.2% of the GDP; Unemployment has soared to 16.3%. Moreover, apart from the economic crisis, Bangladesh is undergoing a serious political crisis. Tourism can be the driving force behind Bangladesh’s economic recovery. Tourism brings in revenues and means more jobs. For these reasons, several measures aiming to restructure, improve and boost the Bangladesh tourism should be taken by the country’s policy makers.

These measures include: enhancement of alternative forms of tourism, like agro tourism and religious tourism to encourage visitors to come all year round; protection and management of the environment; creation of quality infrastructure; development of synergies with other sectors and branches of the economy; boost of competitiveness through a tourism product that offers quality and value for money. In general, the development of tourism sector entails the participation of many private and government sectors. It could be achieved through networking. This also needs the use of ICT for efficient discussion and effective decision making processes. Moreover, tourism can become one of the important Bangladesh government’s tool, in the effort to achieve its social and environmental policy targets. Whatever the specific topics that researchers will address in the coming years it is clear that tourism economics provides a fertile ground for research with the potential to inform policy making to improve socio-economic prosperity in all destinations worldwide. The government should maximize the potential of tourism for eradicating poverty by developing appropriate...
strategies in cooperation with all major groups, local communities and indigenous. The Government should promote diversification of economic activities, through the facilities of access to markets and commercial information between partners and should reduce financial leakage and support local economies by buying food and resources locally, develop long-term partnerships with local operators, businesses and suppliers; and train and hire local staff and contract with local businesses, promote management opportunities for women; prefer accommodations owned, built and staffed by local people, promote locally made handicrafts and traditional products. It can serve the purpose of income generation, creation of local employment, and earning foreign exchanges. Government can earn revenue by imposing tax on products and services used by tourist through Value Added Taxes (VAT). Tourism offers the opportunity of providing jobs for different classes of people and thereby contributing to the alleviation of poverty. It’s a labor intensive industry provides a scope of direct and indirect opportunities for a large number of skilled and semi-skilled manpower. Tourism generates job directly through hotels, restaurants, transportation companies, recreation centers, resorts, and indirectly through supply of goods and services needed by tourism related business. In the age of media, image could always be crafted to suit a particular goal (attracting tourists, for example). There is often no sign of such effort in Bangladesh or its embassies around the world. Poor image, lack of fund allocation in national budget, little or no initiatives to preserve, conserve, and maintain the tourist spots, improper marketing by Bangladesh Porjoton Corporation, mismanagement of concerned ministries, department, and agencies further complicated this industry. Therefore, government, public and private enterprises should work hand in hand to promote this sector to the international community immediately.
References


