

Necessity of Private Sector Involvement in the Development of Eco-tourism: The Case of Bangladesh

Dilruba Khanam and Shohrab Hussain Khan
Department of Marketing Chittagong University Chittagong, Bangladesh

Introduction

The urge to travel is as old as civilization. Faraway places with strange-sounding names lure the traveller with promises of new knowledge, enchantment, excitement, diverse forms of entertainment, and tantalizing new kinds of food (Raquib Siddiqi, 2003). Tourism is an activity of travel and temporary stay of both residents and non-residents to place of scenic beauty, historical monuments, leisure and archaeological remains (Ameeruzzaman, 1996). "Ecotourism has many definitions, but as a general goal it should provide an opportunity to develop tourism in ways that minimize the industry's negative impacts and a way to actively promote the conservation of Earth's unique biodiversity. If handled properly, ecotourism can be a valuable tool for financing the protection of ecologically sensitive areas and the socio-economic development of populations living in or close to them" (Klaus Toepfer, 2002). This sector is contributing for the growth, development, employment generation and correcting negative balance of payment of a country. But the share of Bangladesh in world tourism is very poor. To day travel and tourism account for the largest portion of money spent in international commerce (Raquib Siddiqi, 2003). It comes as no surprise that tourism has become the world's largest business- a business that projected to increase more than five folds between 1990 and 2010 to reach US\$ 1350 billion with average annual increase of 8.6 per cent. International tourist arrivals grew at a rate of 7.4 per cent with respect to 1999 resulting in a total of 699 million arrivals worldwide in 2000. WTO forecast that arrivals will top one billion in the year 2010 and that by 2020 the number will reach 1.6 billion (The Daily Star, Feb, 2002).

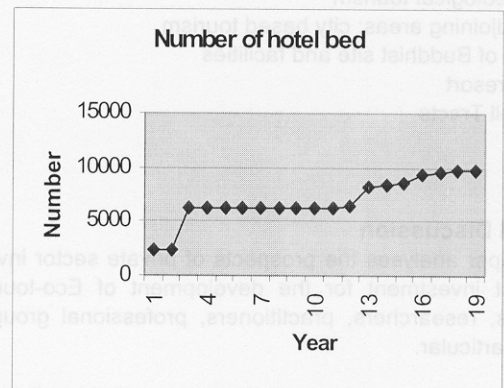
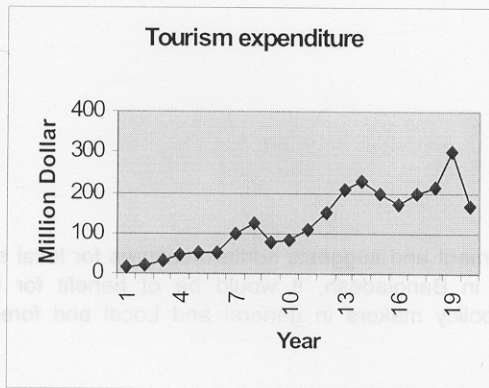
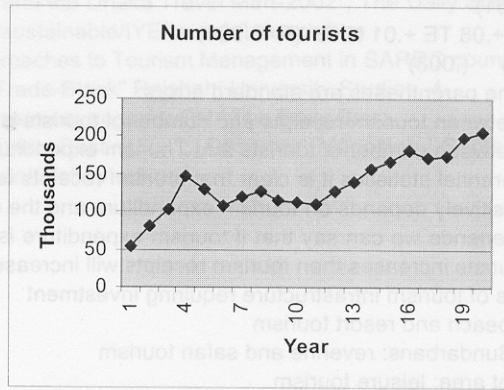
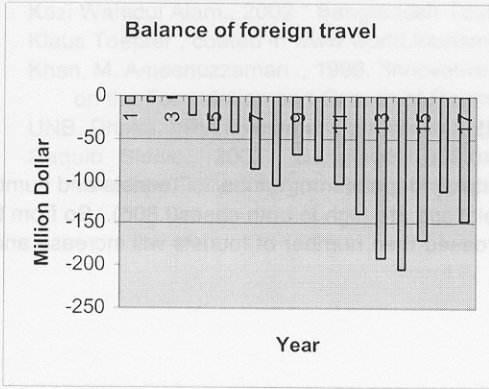
Bangladesh has a fairly large number of virgin eco-tourism spots to offer. (Raquib Siddiqi, 2003). Bangladesh has tremendous prospects for development of tourist spots which has hitherto remained unexplored (Shikder and Husain, 2002). The country is blessed with two of the world's splendid and enchanting tourists spots of diverse nature- The Sundarbans and the Chittagong Hill Tracts (The Daily Star, Feb 2002). The United Nations has already declared the current year-2002 as the International year of Eco-tourism. The main objective of observing International year of Tourism is to generate greater awareness among public authorities and the private sector regarding eco-tourism's capacity to contribute to the conservation of the natural and cultural heritage in natural and rural areas, the improvement of standard of living in those areas (Raquib Siddiqi, 2003). Bangladesh -still unknown in tourist map- has potential of becoming a fascinating destination in South-Asia tourist circuit. A step in right direction will surely set the ball of progress in motion. Sooner it comes the better for the country and its people (Raquib Siddiqi, 2003). The contribution of this sector to GDP of Bangladesh is insignificant. (Shikder and Husain, 2002). The Bangladesh Parjatan Corporation, only the national Tourism Organisation operating under public enterprise ordinance has been entrusted with the responsibility for the development, maintenance, and promotion of this sector (Shikder and Husain, 2002). However the success is limited due to absence of strong private sector initiatives (The Daily Star, Feb, 2002). The role of private sector for the purpose is shy (Shikder and Husain, 2002). Among the innovative measures private sector involvement may be adopted as the ranked first measure to increase tourist attraction and development of this industry in Bangladesh (Shikder and Husain, 2002). However, despite absence of government support, incentive and proper policy guideline, private sector now is making substantial contribution to the growth of tourism in general and tour operation and hospitality industry in particular. In fact, in the face of heavy odds private sector has kept the tourism sector alive. (The Daily Star, Feb 2002).

This paper attempted to analyse the prospects of private sector involvement (local and foreign) in the development of Eco-tourism in Bangladesh.

Materials and Methods

Only the secondary data were collected which were analysed vertically. Secondary data were collected from the Statistical yearbook, Publication of BPC, Publication of Bangladesh Bank, Annual report of board of Investment, Precious literatures, Books, Journals, Magazines, Newspapers and international publications. Different statistical techniques were used to test normality, autocorrelation which are the preconditions of OLS regression analysis. Computer program Excel and SPSS are used to find descriptive (graph, sum, average, Standard deviation, growth etc) and inferential (Regression, correlation, goodness of fit, T-test, Durbin Watson etc) statistics to make the study more informative, analytical, useful and interesting to the interest groups.

Common Features about Tourism in Bangladesh



Descriptive statistics of tourism in Bangladesh for the last 20 years

Statistics	Balance of Receipt in million dollar	Number of Foreign tr- number thousands	Number of hotel bed travel (BFT) (TR)in dollar	Tourism Exp (TE) tourists in (NHB) in	Tourism Million dollar (NTS) in million dollar
Sum	-1000	133419	2729	2559	529
Average	-50	6670.9	136.4	127.95	31.12
Standard deviation	-114.75	2321.51	39.11	80.67	18.11
Growth	-	3314.78	84.28	29.69	10.33

Source: (Summarised)

From the descriptive statistics it is clear that negative value of balance of foreign travel is increasing at a increasing rate and the number of tourists, tourism receipts, number of hotel bed is increasing at a increasing rate. But we must have to find the picture where number of tourists, tourism receipts, number of hotel bed are increasing at a increasing rate so that balance of foreign travel increase at a increasing rate. Because it is found that development of graded hotel through out all the tourist destinations is not appropriate and there is an acute shortage of required number of good restaurants -of acceptable standards (GOB, fifth five year plan, 97-2002). Moreover, the local grade hotels are playing an important role in out domestic tourism sector, they are catering the needs of domestic night stoppers. But they do not have sufficient facilities for food, toilet and drink (Hasan, Syed Rahidul and Chowdhury, Md. Asrafal Islam, 1995)

Inferential Statistics:

TR=-25.92+.384 NTS (.R=0.82)

(8.64) (.061)

NTS = 37.89 +.08 TE +.01 NHB (R=0.924)

(12.07) (.08) (.003)

Numbers in the parentheses are standard errors.

Correlation between tourism receipts and number of tourists is 0.919

Correlation between number of tourists and Tourism expenditure is 0.806

From the inferential statistics it is clear that tourism receipts is positively depends on number of tourists and number of tourists positively depends on tourism expenditure and the correlations are high in both cases(0.806). So from the 20 years experience we can say that if tourism expenditure is increased then number of tourists will increase and if number of tourists increases then tourism receipts will increase.

Specific areas of tourism infrastructure requiring investment

Cox's Bazar beach and resort tourism

Mongla and Sundarbans: riverine and safari tourism

Greater Sylhet area: leisure tourism

Bogra: archaeological tourism

Dhaka and adjoining areas: city based tourism

Development of Buddhist site and facilities

Kuakata sea resort

Chittagong Hill Tracts

Bandarban

Khagrachari

Results and Discussion

Since this paper analyses the prospects of private sector involvement and suggests some measures for local and foreign direct investment for the development of Eco-tourism in Bangladesh, it would be of benefit for the academicians, researchers, practitioners, professional groups, policy makers in general and Local and foreign investors in particular.

Conclusion

The PM of Bangladesh said, "We have adopted a policy to give priority to the private sector in the interest of speedy growth of tourism. Like other industrial sector, this sector will get all investment facilities. For this we would welcome local and foreign entrepreneurs (The Daily Star, January 2002). The shyness for the private sector has now gone to a great extent. It is encouraging to see, despite various constraints and lack of adequate incentives, in recent years private sector has come up in fairly large number in the areas of tour operation hospitality industry. The government of Bangladesh formulated a national tourism policy in February 1992. The main objectives of this policy is to attract investment in tourism from the domestic private sector as well as by foreign investors. In order to encourage investments, the government has put in place a number of incentives such as tax exemptions, remittances of up to 50% of the salary of foreign staff, facilities for repatriation of savings and retirement benefits, repatriation of capital and profits and guarantees against nationalisation (Ruby Afroze). But domestic private sector investment in the development of this industry have been made in an uncoordinated manner, so they have not achieved any remarkable progress (Abdul Kalam Khan, 2002). So Bangladesh Government needs to reinforce research activities regarding investor-oriented policy environment so that local and foreign investment fell secured. The negative image has to be addressed by the Bangladesh government and Bangladesh Parjatan Corporation by participating in international fairs, seminars and workshops and also through advertising and publicity campaigns (Ruby Afroze). The type and scale of investments be carefully decided so that both the country and the investors benefited. Moreover, a series of international events can strengthen the competitiveness of the country's tourism industry as well as stimulate foreign investment.

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Khanam and Khan: Necessity of private sector involvement in the development of eco-tourism

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