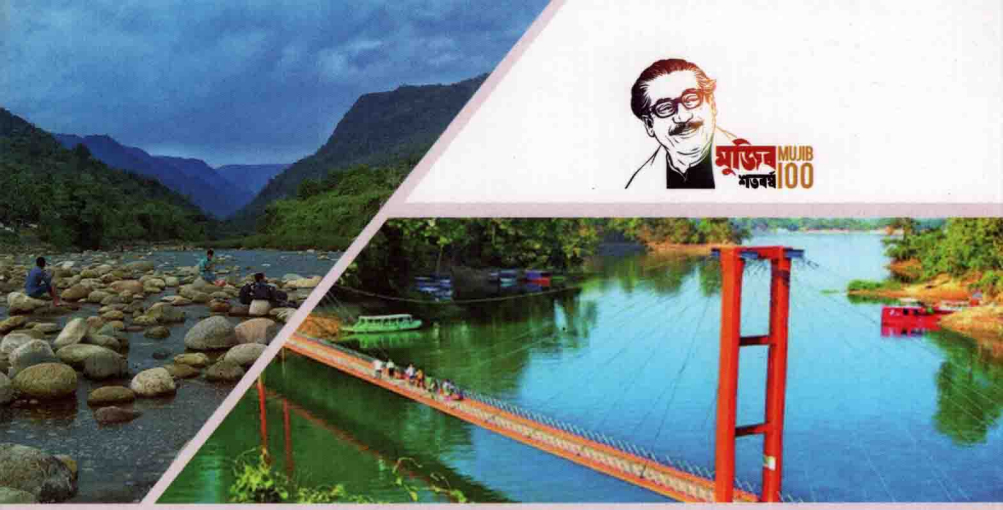


TOURISM SECTOR



Bangladesh Investment
Development Authority

We Nurture Your Investment Dreams

Bangladesh Investment Development Authority
Prime Minister's Office
Plot E-6/B, W Agargaon, Dhaka 1205
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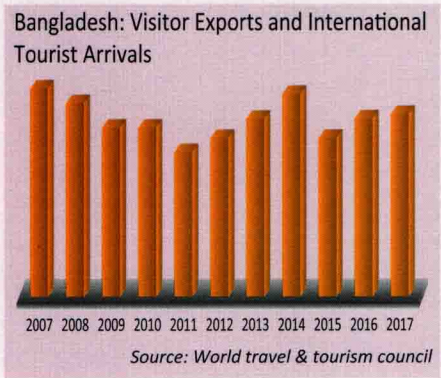
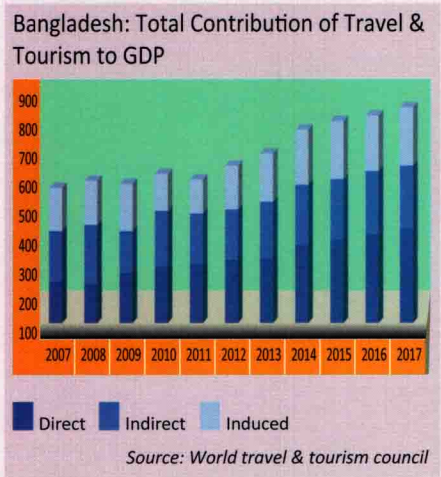
Bangladesh is the land of natural beauty. Endless Beauty is wide in this country. Over the years, Bangladesh is recognized as a dream country surrounded by greenery for tourists. As a center of tropical climate and old civilization, this country has many resources to attract tourists. With a contribution of 10.4% in global GDP, the tourism industry is growing at a rate of 3.9%. Accordingly, if taken proper care tourism can be a big source of foreign currency earnings.

Current Scenario

Tourism is a rising industry in Bangladesh comprised of 3.0% of the total GDP in 2019. The government has allocated Tk. 34 billion in FY 2019-20 in Civil Aviation and Tourism Ministry which is more than double of the allocation of last fiscal year. It indicates that the government of Bangladesh is giving importance to the Tourism Sector.

The importance of Tourism Industry

Tourism industry in Bangladesh has flourished significantly in the last decade. Economic contribution of tourism in GDP is increasing higher every year than before. Following charts depict the contribution of this industry.



Tourism Policies in Bangladesh

Some highlights of National Tourism Policy-2010 for Investors:

- To create better communication between government and private tourism related organizations;
- To create a tourism friendly environment in Bangladesh and to promote its tourism potential to both local and foreign nationals;
- To develop human resources for tourism sector by creating training facilities and providing them with proper guidelines;
- To attract tourists by maintaining quality tourism services
- To research on tourism industry, to survey international markets and to analyze the data.

The Potential of Bangladesh Tourism Industry

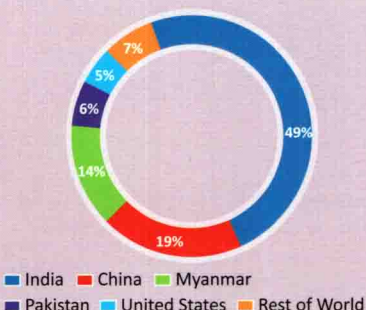
There is endless natural beauty in Bangladesh. Mountains, colorful tribes, Sundarbans the world's largest mangrove forest, Cox's Bazar the longest seaside and other natural, historical, archaeological sites are the tourist attractions of this country. Proper utilization of the country's natural and historical tourist attractions can open the door to a great deal of foreign exchange.

Country's infrastructure will be developed significantly. More roads and highways will be built. More hotels and restaurants will be established. Rail connection between Cox's Bazaar and Chittagong will be developed soon. After infrastructure, developing superstructures like hotels, motels, inns, restaurants, amusement parks, theme parks are also important for tourists in the destinations. Besides, theme parks, game zone, sports zone like parasailing, paragliding, scuba diving etc. are needed to be established for adventurous tourists. Bangladesh, therefore, requires huge investment in this sector.

The tourism industry may be one of the major sources of earning foreign currency. Some 840,000 foreigners visit Bangladesh annually; in contrast, 13,700,000 domestic tourists visit the same spots annually.

Inbound Arrivals of Tourists in Bangladesh

Figure: Inbound Arrivals of Tourists in 2019



Source: World Travel and Tourism Council

Tourist spots in Bangladesh

Tourist spots in Bangladesh are not concentrated in any particular place. Instead, they are scattered throughout the country.

Jaflong:

Jaflong is one of the best natural tourist spot in Sylhet. It is situated at the border between Bangladesh and the Indian state of Meghalaya. Tourist can learn something from the lifestyle of Tribe Khasia in Jaflong.

Ratargul:

Ratargul is a fresh water swamp forest situated in Sylhet by the river of Goain. The water comes here from the adjacent Goain River. The flavor of Amazon forest is available there.

Madhabkunda waterfall:

This is one of the largest waterfalls in Bangladesh. It is situated in Moulvibazar District. On the way visitors can see the greenish beauty of tea garden and the hills. Rubber and lemon plantations form a beautiful landscape.

Satchori National Park:

This Park is in Habiganj District. Wildlife in this park is rich.

Bisanakandi:

Bisanakandi is situated at Bangladesh-India border in Sylhet. It is a landscape beauty among gardens and hills. Winter is not a suitable time to visit Bisanakandi due to mechanized mining and stone-laden Boats and Lorries.

Sreemangal:

Sreemangal is famous for the largest tea gardens of world. Most of the tea estates are in Sreemangal. It is called "The land of two leaves and a bud". It is known as the tea capital in Bangladesh. Bangladesh Tea Research Institute (BTRI) and Tea Museum are functioning there.

Lawachara Rain Forest:

Lawachara Rain Forest is a well-reserved forest in Bangladesh. Prime attraction of this forest is rare Chloroform tree of Asia. It is like "A Piece of Paradise".

Patenga Sea Beaches:

It is about 22 km. from Chittagong city. Besides the sea beach, you can enjoy boating and river cruise in the River Karnaphuli.

Port Area:

This is the principal sea port of Bangladesh.





Cox's Bazar:

World longest (120 km long) beach. Winter is the season to visit the Cox's Bazar.

St. Martins Island:

St. Martins Island is the most beautiful Coral Island.

Himchori:

Himchori is famous for waterfall. Visitor can reach there by jeep from Cox's Bazar.

Parki beach:

It is situated in Anwara Thana under southern Chittagong region.

Lalmai, Mainamati and Shalbon Bihar:

They are famous historical and archaeological places around Cumilla city.

Rangamati:

If you don't visit Rangamati you will be unable to discover a big portion of natural beauties of Bangladesh.

Khagrachari:

Khagrachari is the natural wild beauty of Bangladesh. Here visitor can visit the tribal lifestyle.

Kaptai Lake:

Built in early sixties Kaptai Dam and the lake are the main attractions of Kaptai.

Bandarban:

Chimbuk hill is one of the major attractions of Bandarban.

Sundarbans:

The Sundarbans is the world largest tidal mangrove forest. The Sundarbans cover approximately 10,000 square kilometers. The Sundarbans is a UNESCO World Heritage Site.

Kuakata:

Kuakata is a panoramic sea beach located in the Patuakhali district. Kuakata has a wide sandy beach from where one can see both the sunrise and sunset.

Ahsan Manzil:

Ahsan Manzil was a residential palace for Dhaka Nawab Family.

Shaheed Minar:

The Shaheed Minar is a national monument in Dhaka.

Jatiyo Smritisoudho:

Jatiyo Sritishoudho is the symbol in the memory of sacrifice of all those who gave their lives in the Bangladesh Liberation War of 1971.

Tourism economic zone

Three tourism parks at Cox's Bazar district named Naf Tourism Park, Sabrang Tourism Park, and Sonadia Eco-Tourism Park is being set up. Sabrang Tourism Park will be the first exclusive tourism park in the Cox's Bazar district encompassing an area of 1,027 acres. Sonadia Eco-Tourism Park in Maheshkhali is developing on 9,467 acres of land. The proposed three tourist parks are expected to raise the country's position on the tourist index to 99th from the existing 127th position. To support the industry entrepreneurs BEZA is set to offer a 100 percent tax exemption for the first 10 years, followed by 70 percent and 30 percent tax exemptions in the 11th and 12th year respectively in the tourism park.

Domestic aviation growth

The number of domestic air passengers in Bangladesh has increased by about 64.73 percent during 2019 compared to five years earlier. In 2013, the number of domestic air travelers was 600,000 which has increased to more than one million in 2019 and expected to increase to 21 million in 2035. At the same time, in 2013 a total of 12,526 flights to different domestic routes used to operate and in 2019 the number has increased to 38,057. The healthy growth of air connectivity in the domestic market is also an indicator as well as opportunities for the tourism industry to grow further.

There are approximately 30,000 foreigners living in Bangladesh for professional reasons. In addition, the number of foreign visitors has increased by 24 percent in 2019 compared to last year, resulting in an entrance of more than 100,000 foreigners every year. Unfortunately, only five percent of them come for the sole purpose of traveling. Hence, there is a tremendous potentiality to divert the business tourists toward Bangladesh recreational tourism activities through promoting the sector correctly.



Luxury hotel growth

With a 24 percent year on year growth of foreign entrance the demand for upscale hotel rooms has increased too. It is estimated that the supply of upscale room will increase to 140 percent by 2021. In Cox's bazar there are plenty of hotels and motels. But in other destinations like Kuakata, Rangamati, Khagrachari very few quality hotels are established. So investors can invest in these areas.

Religious tourism

An estimated 300 to 330 million pilgrims visit the world's key religious sites every year. Bangladesh can become one of the prominent destinations for religious tourism if promoted correctly.

Medical tourism

Bangladesh medical tourism is developing as a niche market over several decades mainly in the areas of non-surgery and non-mainstream treatment procedures like India and Nepal. The country has a traditional reputation in areas of medical tourism that covers herbal, homeopathy and Unani and Ayurveda medicines. However, the tourism world is still unaware of the services, benefits and offering of medical tourism in Bangladesh.

Cross country tourism

Bangladesh has the potential to attract global tourists especially from the western countries visiting India, Nepal, and Myanmar by offering its attractive locations and services as an extended destination.

New emerging inbound destinations

There are over 700 spots of tourist interest in the country which include nature-driven ones like sea beach, green valleys, forests, archaeological and historical sites, iconic religious places, cultural events, and man-made wonders. At the same time, with increasing young tourists who possess a high interest in exploring new areas the activity around domestic tourism has been increasing rapidly.

Blue economy initiatives and growth opportunities

The marine and coastal environment also constitutes a key resource for the important global tourism industry and expanding the domain of nature-based tourism. Globally, coastal tourism is the largest market segment that represents five percent of world GDP and contributes to six to seven percent of total employment. Coastal tourism can be attracted through beach-based recreation and tourism, tourist activities in proximity to the sea, marine boating including yachting and marinas, watersports activities and many more.

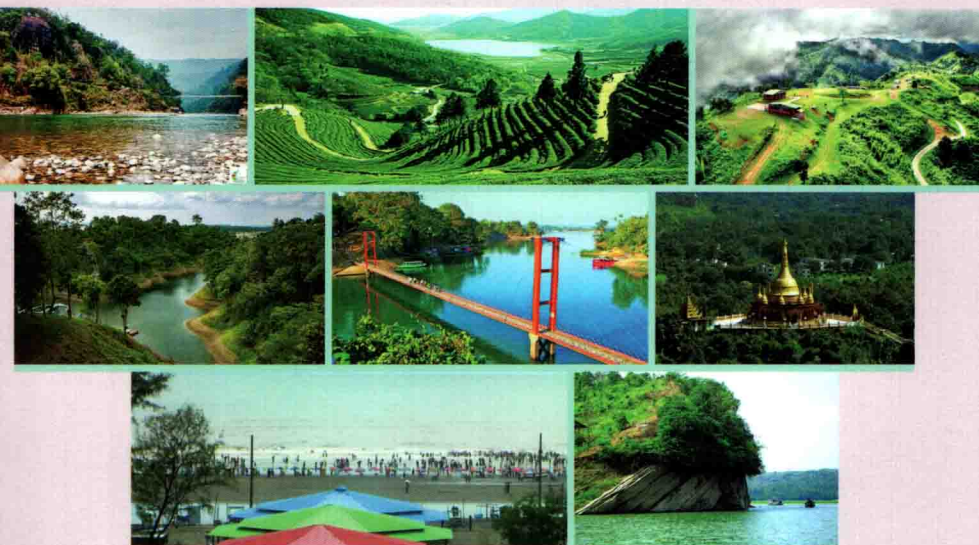
Branding around value destination

Bangladesh is a low cost destination with countless untapped treasures for travellers and backpackers. There are numerous options for an affordable hotel along with inexpensive public transportation such as bus, train, ship, and rickshaws to go from one destination to another. With a diverse and exotic cuisine that is remarkably cheap, it is no wonder Bangladesh is one of the top destinations to visit in 2019.

Internet and online startups

Digital technologies have connected the tourism industry on a global level and helped to become a crucial ally for sustainable development. With the tourism trend going up in Bangladesh, a new breed of companies, enabled with technology, entering the market to grab this growing demand. Vromon, Tripping and Jovago are such online startups who are assisting in choosing a travel destination, book hotels, choose from multiple tour packages, book other services and many other services.





There is no shortage of tourist attractions in Bangladesh. The country has everything a tourist wants. At present, Bangladesh has limited tourism facilities for domestic and foreign tourists. Because of both the public and private sectors, the investment in this industry is less than the demand. As a result; Bangladesh's success in the tourism industry in the international context is minimal. But the potential of Bangladesh in the tourism industry is very bright. The tourism industry of Bangladesh can be one of the major sources of investment and foreign exchange earnings.



Bangladesh Investment Development Authority
"Bangladesh - We Nurture Your Investment Dreams"



BIDA undertakes the functions of investment promotion and facilitation, and policy advocacy in accordance to the Industry Policy and provides inquiry/consultation/licensing facilitation services to the investors outside the jurisdiction of other investment authorities (BEZA, BEPZA, High-tech Park Authority). Those investors registering with BIDA for their investment projects are able to benefit from the following key incentives and privileges:

Category	Notes
Tax holiday	- Phased Corporate Income Tax (CIT) exemption for 32 designated sectors/ products (as per the Finance Act 2020), depending on location of factories - Phased CIT exemption for private IPPs (which construct powerhouse after June 2016) and full CIT / capital gain tax exemption for PPP projects - Full CIT exemption for ICT / software industry
Tax rebate	Applicable for manufacturing industries of which factories i) are located, ii) move, iii) have already operated, outside Dhaka City
Import duty exemp.	- On capital machinery / spares - VAT exemption for imported capital machinery / spares
Other Tax Exemption	- On interest payable on foreign loans - On royalty/technical license fees obtained from foreign company/expert - On personal income tax for foreign technician - One capital gain from the transfer of shares of listed public companies
Non-tax incentives	- Accelerated depreciation for newly established industries in lieu of tax holiday on their factory, machinery and plant

* The above may be subject to revision upon annually enacted Finance Act and individual regulations.
 Export-oriented industries regardless of their locations can benefit from additional privileges and facilities.

Bangladesh Economic Zones Authority
"BEZA is a smart way for business in Bangladesh"



BEZA develops and manages economic zones (EZs) in view of generating more spillover effects of investment for industrialization. Currently a number of EZs are being developed throughout nation to cater for investment needs of both foreign and local investors, utilizing a variety of development schemes including BEZA's own initiative, private initiative, public-private-partnership and bilateral agreement with foreign government. The investors tenanted in EZs are able to benefit from the following key incentives/ privileges:

Fiscal incentive	- Phased Corporate Income Tax (CIT) exemption for 10 years - VAT exemption for imported machinery/const. material, utility expense - Duty exemption for imported vehicle - Duty exemption for import/export of goods/ materials with bonded warehouse facility - Personal Income Tax exemption for expatriate salary - Tax exemption for dividend/royalty and technical license fees, etc. - Exemption of local government tax/ land development tax - Exemption from registration fee on land transfer/ loan document, stamp duty on loan document/lease of land and space
Non-fiscal Incentive	- A variety of privileges and facilities are available. (see the website of BEZA: http://www.beza.gov.bd/)

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* Disclaimer: BIDA shall not be liable for any incidental or consequential damages that may result from the usage of information obtained from this brochure.