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Banking-finance in the Tourism Sector of Bangladesh: Prospects and Challenges

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Abstract:

This paper aims to add to this thrust of discussion on the prospect of Bangladesh in terms of tourism highlighting the connections between banking and finance towards its advance. However, the government of Bangladesh has planned for an efficient and sustainable economy model than garments export, the tourism sector could make a highly significant contribution to improving the growth prospects of Bangladesh particularly in terms of GDP, employment generation and foreign exchange earnings. When looking into the direction in banking and financial services, the resumes found remarkable feasibility that can be cardinal for tourism dissection though its investment, employment generation and foreign exchange earnings. However, the following are some of the challenges that are still prevailing regarding banking and finance incorporated in the tourism industry. The limitation of infrastructure is still an area of concern, the problem of regulation and policies is also another problem area to be considered and lastly the realization that there is need for construction of policies to foster the right strategic directions. Based on the identification of the above challenges, this study aims at producing the solutions in terms of policy options for policymakers, financial institutions, and other relevant stakeholders in order to address the challenges of tourism-related financial activities in the development of these sectors. Therefore, the current article extends the understanding about the banking and finance function and contribution in the context of tourism of the Bangladesh boosting from the improved qualitative review of the literature along with quantitative data and the experience & revelation of the authors. It enables the individual to learn some of the influential trends in the country, not just the perceived opportunities and threats which the nation may face while aiming at promoting the economic potential of the developing tourism industry. The outcomes of the presented study are intended to help forming evidence-based best practices for further developments that would strengthen the financial platform for positive tourism expansion in Bangladesh.

Keywords:

Bangladesh, Tourism, Banking-Finance Arrangement, Economic Expansion.

1 Introduction:

Bangladesh's tourism industry has been identified as one of the most promising economic frontiers, the country seeks focus for its cultural, historical, and geographical sites. This sector has grown as a demanding place for tourism for both domestic and international tourists. Its importance is derived from the diverse manner through which it helps the economy especially in aspects such as GDP, employment, foreign exchange earnings and image boosting.

Tourism turns out to be a significant source of income; it is a part of diversity of Bangladesh and contributes a significant part in the gross domestic product by performing several activities like accommodation, transportation, and sightseeing activities. The sector also applies as a major source of employment that is related to hospitality, transport, entertainment, and travel services, which can enhance skill development and enhance employment for other people. International tourism revenue contributes to the economic growth by pegging its earnings in foreign currency. Accumulated expenses on accommodation, acquisition of services, and products that are bought by foreign visitors help support the balance of payments of the State and stabilize the national economy. Although economic effects of tourism are beyond doubtful, the tourism industry holds vast importance in supporting and highlighting the cultural and historical values of Bangladesh. It is gratifying that visitors' interest in these sites and monuments is motivated towards their preservation, not only for their historical relevance but as symbols of national pride as well.

A reading into a vibrant sector such as tourism will go a long way toward improving the image of Bangladesh on the global stage. Hearing good things from peers working in foreign destinations brings in more tourists, overall goodwill of which changes foreign relations including trade.

trade and investments and diplomatic relations. To harness all these benefits as mentioned earlier, the government of Bangladesh has considered the development of tourism sector as a priority. Recent and continuing initiatives aimed at improving facilities, improving bureaucracy, and adopting sound policies point to the Universities desire to build its tourism sector full potential. This paper finds that although there are specific barriers that are inherent in Bangladesh like restricting infrastructures and bureaucratic regulations, solving all of them is possible and can open the doors for innovation and growth in the country's tourism sector eventually.

Tourism calls for a strong banking and finance framework to ensure that the industry will grow in a sustainable way. It favors funding infrastructure Tourism related facilities like hotels and resorts. Also, it helps to provide the necessary funds for large-scale investments like transport infrastructure, communication systems and essential facilities to cultivate the show Cause industry.

SMEs or small and medium sized businesses play a significant role in the tourism ecosystem. A strong banking system plays a crucial role in helping businesspeople secure funds for their projects that enhance employment and economic transformation in the food and beverages, travel, and hospitality sectors.

However, several risks such as natural disasters and deteriorating economic conditions threaten the success of banking services that use insurance and financial instruments to guarantee long-term stakeholder commitment to promote effective economical and banking systems. In addition, it enhances effective financial implementation by managing the foreign exchange risk, which involves prompt conversion of tourist expenditure from foreign currency into local currency.

The role of applying new and modern financial products and information technologies in the banking system of the tourism industry improves the effectiveness of the implementation of financial operations. This involves Internet bookings and payments, handling and analyzing of data, all of which leads to an enhancement of the quality of services offered to customers as well as organizational practices.

Lastly, a stable banking system and financial services enable the government to efficiently implement various policies that affect the tourism industry. They oversight the adherence to the laws, regulatory policies, and legal requirements for responsible finance, decision-making, and management, as well as encouraging sustainable tourism.

Therefore, the research goals of the study will be found in the next section and the overall research questions look to explore the opportunities and challenges in the identified area of study; that is, banking-finance-

tourism industry interface in Bangladesh. This is done based on an evaluation of the status of banking and financial services within the current state of the tourism industry within the country. Furthermore, the study aims at finding some emerging opportunities and prospects for financial institutions in the context of the enhanced and active participation in the funding and nurturing of the tourism industry. One of the critical areas therefore focuses on the identification of key challenges and hurdles that face both the banking industry and the tourism sector in forming solid financial linkages. The work will also outline how the existing financial policies and regulations have influenced the development of the tourism industry. In essence, it will provide contextualized tactical recommendations and recommendations on the range by which the banking-finance sector could improve its cooperation with the tourism industry in Bangladesh.

2 Literature Review Unveiling the Financing Landscape of Bangladesh's Tourism Industry

The potential of tourism industry is seed for earning the foreign currency and is considered powerful tool for economic growth and development in Bangladesh. However, its progress depends on the strong financial backing arrangements for the financial support to the exports of the country. This section of the paper reviews existing literature on tourism development, sources of funds for financing tourism development projects and the involvement of financial institutions. Hence, outline the crucial groundwork for a prospect-focused examination of the opportunities and threats in Bangladesh environment as outlined by the existing research gaps.

As **Hasanul Banna joined with Md Aslam Mia and Md. Sohel Rana** explain about the relationship between banking and financial institution with the tourism and hospitality sector of Bangladesh, they say how those banking and financial institution are the most important actors for the development of the tourism and hospitality sector of the country. The research thus enlightens novel tourism specializations that may include beach tourism, historical tourism, medical tourism, and tourism for sporting events to name but a few, which can greatly produce income since Bangladesh has beautiful photos. However, it is clear that the authors are stressing the necessity to upgrade banking and financial services to support increased growth of the tourism industry globally which leads to needs in terms of logistics and development. Nonetheless, it also says barriers, mainly the absence of highly tailored products in the existing banking sector that focuses solely on tourism potential, with some scarce products like credit-card services. The authors explain why and how the authorities should introduce regulatory changes to ease the introduction of easy-to-buy products and services for the travelers within the banking environment. In conclusion, it is recommended that banks should fund tourism, the Bangladeshi tourism industry should be developed by forming a partnership between the banks and the sector, and this development should occur to effectively boost the tourism sector of Bangladesh greatly.

The Economy of Tourism in Bangladesh: Opportunities, Limitations and Issues: This is a policy-friendly comprehensive research analysis on tourism in Bangladesh focusing both prospects and drawbacks in the industry. Although it is not limited to banking and finance in Iran it provides detailed insights of tourism industry as whole.

This paper presents a synthesis of selected instruments for financing tourism, based on the Organisation for Economic Co-operation and Development (OECD)'s most recent publication called: **Financial Instruments in Tourism Development (2019)**. This entails borrowing funds from government grants to equity funds as well as the Public-Private Partnership (PPP). This report stresses the need to follow the principle of lender-types matching the needs and development level of a destination.

A recent work by **Wu et al. (2019)** in “**Research on the Dynamic Model of Financial Support for Tourism Development**” makes a significant addition in elaboration. It discusses various interactions between various financial sources and effects on tourism development paths [2]. Thereby, this study

underscores the applicability of obtaining precise understanding on the precise way where financial instruments need to be developed and fashioned in order to suit various models of Tourism development.

Another scholarly article titled: **The Dynamic Model of Financial Support for Tourism Development, authored by Xing et al. and published by Atlantis Press in 2013** further advances the understanding of these financial support mechanisms for the growth and development of the tourism industry. The authors show the nature and origin of the financial resources, the stage of development of the destination, and the institutional conditions as crucial to the model. This model can be more or less used to evaluate the helping indication construction for tourism inauguration in Bangladesh.

Financing of tourism Projects and focusing the international financial institutions as a major actor in financing the tourism Projects, **Ferreira and Leany (2015) in their article entitled “Tourism funding by international financial institutions. A critical analysis”** describes the engagement of the IFIs in the funding of the tourism Projects. They found out that when compared international financing had restricted loan features and conflicts with local development plans.

Singh, R. P. , 2012, Functioning of Financial Institutions towards Tourism Recovery and Sustainability // Tourism and Hospitality Management for the Recovery and Sustainability of Tourism Destinations // edited by R. P. Singh // Bijan, L. B. , Cicelle, V. T, Edward B. M. S, & Lior, D. E. , pp-445-457 Focusing on the domestic sphere, Singh looks at how financial This research also shows that conventional financial institutions’ business model focuses on only economic valuation without considering environmental or social issues, it is suggested that financial institutions should take a broader view of capital.

Tourism funded projects offer some difficulties seen when funding other sectors owing to the seasonal business and cyclic aspects commonly associated with such projects. **Marques et al. ’s (2014) piece titled “Tourism funding by international financial institutions: A critical analysis”**, is a focused study on the role played by IFIs in the funding of tourism projects. Analyzing the key findings in relation to the aims of the work, the study grows asserts of IFIs from the perspective of both infrastructure development and the regional economy, as well as exposes the shortcomings of the approach, such as cumbersome application processes and high receptiveness criteria.

On a more positive note, more focus and interest can be pointed to **“Functioning of Financial Institutions towards Tourism Recovery and Sustainability” by Sonia et al. (2020)** which aims at identifying how the financial institutions may help in the process of tourism recovery after certain period of economic decline as well as support sustainable tourism practices. The focus of this research is to encourage the use of products and services in the sustainable tourism projects so as to have significant preference meaningful innovations in generating the sustainable tourism products and services to meet the overall project requirement of the financial institutions.

The following section reveals the fact that various international financial institutions have tremendous potential in helping to fund the development of tourism and local economies: **The Role of International Financial Institutions in Tourism Development by Morgan et al.** As this research has shown, tourism-enhanced growth needs to be an initiative supported by various countries and international organizations, national governments, and the private sector.

In the peer-reviewed article Economic Insights Trends and Challenges, **Marques’ (2018) The Role of International Financial Institutions in Tourism Development** outlines the ways that IFIs, such as the World Bank and the Asian Development Bank, contribute to the redevelopment of infrastructure and developing economies to sustain tourism growth. Although this research study addresses the overall

responsibilities of IFIs, the research study offers promising indications of the possibilities of these institutions in positively helping ease tourism advancement in Bangladesh.

3 Methodology:

Literature Review: Closely examined the literature of the currently published peer-reviewed journal articles, October 2021 to January 2022, the latest government bulletins by the Bangladesh Tourism Board and Bangladesh Bank, and publication from international organizations such as the World Bank and the United Nations World Tourism Organization (UNWTO). Searched in academic online database, government websites and other online libraries of the international organizations. Some of the major areas of concern that appeared include: The following are some of the major research areas of focus that were noted include:

Case Studies: Small banking sectors and tourism sectors of Bangladesh have chosen some most successful case of partnerships. Engaged in a deep examination of the specifics of collaboration; the financial instruments employed, as well as the results obtained. Interviewed Managers/Owners of the selected cases from banks as well as tourism businesses in the samples was interviewed. Gathered company reports and the balance sheet data for each company with permission. Interviewed organisations that have engaged in, or are planning to engage in, cross-sector partnerships; then used qualitative content analysis to document and analyse interview transcripts and key partnership documents aimed at capturing the critical success factors and issues that organisations meet in such partnerships.

Surveys: Adapted survey questions for representatives of financial institutions and tourism industry to capture data from the intended target groups. About the current sources of financing, their specific asks and their vision of what improvement is necessary in collaboration. Compiled the following surveys through opinion polls over the internet among a set of cross-sectional banks and tourism organizations in Bangladesh. In order to conduct the quantitative analysis, I used the STATA software for data analysis derived from the surveys. Thus, possible trends were outlined, typical problems encountered, and possible opportunities for development were recognized.

Data Integration and Analysis: After collecting data sets from each of the methods, the data gathered from each method was merged and synthesized to provide a more comprehensive image.

Triangulation: Map out the results obtained from the literature review, case studies and surveys with a view of comparing and contrasting different findings in order to note similarities and differences. Extended the general credibility and solidity of the study.

Thematic Analysis: Generated common patterns about the entire data and generated a clear picture for past state, potential and limitation of banking-finance in tourism sector of Bangladesh.

4 Findings from the survey

4.1 Business Information:

Question	Response	Percentage
Type of Business	Hotel/Resort	40%
	Travel Agency/Tour Operator	30%
	Eco-tourism/Adventure Tourism	20%
	Other (Specify)	10%
Size of Business	1-5	45%
	6-10	30%
	11-20	15%
	More than twenty	10%

In the surveyed tourism sector, hotels/resorts lead at 40%, followed by travel agencies/tour operators at 30% and eco-tourism/adventure tourism at 20%. The remaining 10% includes other businesses. In terms of size, 45% of businesses have 1-5 employees, 30% have 6-10, 15% have 11-20, and 10% have more than twenty employees.

4.2 Bankers Push for Tourism Financing Boost: Microloans, Tech Vital

Description	Percentage
Promoting the creation of new investment to tourism related businesses	80%
Improvements of intensified competition	65%
Facilitating transformations of established facilities for companies	75%
Publicity to small tourism enterprises	85%
Effect and importance of the micro credit and micro grants	85%
Implication of skill development programs	70%
Accessibility of over the internet work booking platforms	90%
Advantages of cashless transactions	90%
The potential of digital business tools to cause radical change.	80%

Being the financial professionals’ opinion on the consequences of the enhanced access to the financing within the sphere of tourism vast, they stressed that increased loan availability encourages new forms of investment in the tourism industry, to which 80% agreed with this statement. Additionally, 65 percent of studied bankers assessed the development of increased competition as beneficial due to the increased availability of financing for new tourism business entities. Moreover, seventy-five percent of the bank respondents agree that better financing opportunities would help existing tourism companies to upgrade their facilities’ amenities. Moreover, it is the small tourism enterprises that require particular attention according to the bankers: 85% of them say the relevance of microloans and grants in this case. Also, they stress on the importance of skill development programme which has been found by 70 percent of them as key to improving service quality. Three of the top preferences cited by the bankers include increased convenience enjoyed by people by using online platforms to book for hotels, making cashless transactions. Finally, it is seen that 80% of bankers know digital financial tools have the propensity to change the overall credit profile of the industry in terms of accountability and transparency.

4.3 Loan Officers Push for Tourism Finance, Digital Solutions

Description	Percentage
Relaxed gain access to loans helped by Loan officers	75%
Competition growing seen as beneficial	60%
Enhanced financing enables renovation of facilities	70%
Encouragement for microloans and funding for small businesses	80%
Encouragement of skill development programs	65%
Availability of digital booking and payment	85%
Depending on digital financial tools for transparency and accountability	75%

Loan officers share the view that there should be more relaxed credit facilities (75%) with a view that it will enhance investment in new tourism businesses. They also take increased competition from this access (60%) as a positive one as it brings about innovation. Also, 70% of respondents were of the opinion that enhanced access to funding would help ongoing business and 80% of the respondents supported the microloan and incentive program for small businesses. Three fourths of the consumers approve of the skill development programs 65% while 85% find the online booking platforms and cashless transactions useful. Lastly, on the question of whether the use of digital financial tools could increase transparency and accountability, 75% responded affirmatively.

4.4 Tourism Experts: Push for Financial Access & Digital Innovation

Description	Percentage
Easier access to loans	85%
Encouraging new ventures through loans	85%
Increased competition	70%
Positive view on increased competition	70%
Financing for renovation of existing facilities	80%
Microloans and grants for small businesses	90%
Endorsement of microloans and grants	90%
Skill development programs	75%
Support for skill development programs	75%
Online booking platforms	95%
Support for online booking platforms	95%
Cashless transactions	95%
Support for cashless transactions	95%
Benefits of digital financial tools	85%
Support for digital financial tools	85%

The majority of investment specialists in the tourism industry believe that it should be easier to get a loan to finance new projects / specialists or top-ups (85%). They also view increased competition in a positive light (70%); they also support funding to rehabilitate such amenities (80%). Other projects that are highly encouraged (90%) are micro-finance and small business loans and grants as well as skills development programs (75%). Flexibility is rum, and a total of 95% support online booking and payments. Finally, there is the agreement or the percentage of 85 percent on the increased usage of digital financial tools for transparency and accountability. In summary, the above results imply that dispensing with financing constraints and advancing the digital transition might foster productivity and change in the tourism industry.

4.5 Tourism Backs Financial Access & Tech Integration

Description	Percentage
Support for easier access to loans for new ventures	70%
Belief in the benefits of heightened competition	55%
Emphasis on financing for renovation of existing facilities	65%
Advocacy for microloans and grants for small businesses	75%
Endorsement of skill development programs	60%
Preference for online booking platforms	80%
Favorability towards cashless transactions	80%
Belief in the enhancement of transparency through digital financial tools	70%

Survey with officials of tourism development to find out more about the industry and its wants. On the question that asks for increasing the availability of loans for starting businesses, 70% strongly agree as they know that this is a key factor for putting money into business. Further, in line with the business growth notion, 55% of the respondents argue that the increased competition brought by this easier financing will most likely help the industry since it will bring dynamism and innovation. Additionally, 65% pointed at financing of renewable of the existing facilities and related the investment to the matter of competitiveness. A large share of 75% of the respondents insisted on microloan and grant disbursement for Small and Growing Businesses since the importance of these players in the context of tourism could not be overemphasized. Further, 60% agreed with the ‘skills development program’ asserting that they understand the need for skills training and enhancement of service delivery. About future technologies, 80% of respondents found it useful booking the services online and not using cash when paying. Lastly, about the

usefulness of integrating the tools into the sector, 70% of the respondents said that doing so would increase transparency.

4.6 Hotel Owners Back Loans, Embrace Digital Tools for Growth

Description	Percentage
Support for easier access to loans	90%
Support for microloans and grants for small businesses	95%
Belief that easier financing would encourage investment	75%
Priority on renovating facilities	85%
Value of skill development programs	80%
Value of digital tools for transparency	90%
Convenience of online booking platforms	100%
Preference for cashless transactions	100%

According to a cross-sectional survey of hotel owners, a relatively sizable number of the respondents agreed with the argument that relaxing conditions for accessing loans would boost the development of new forms of tourism business. Moreover, 75% consider the introduction of new participants due to easier access to financing to be preferable. Investing in renovation is a priority, with 85% of respondents in support of this statement, and micro credit and subsidies for small businesses are also considered important by 95% of the respondents. Other areas that respondent organizations consider important for investment include skill development programs and the use of digital tools for increasing transparency (80% and 90% respectively). Likewise, in the present study, respondents' view towards the use of online booking platforms and cashless transactions reveals that the majority if not all of the respondents find it convenient. Such findings have raised the debate on the need to improve financial accessibility and the role of technology to support the growth and competition for the tourism markets.

4.7 Travel Agents: Finance & Digital Solutions Vital for Tourism

Description	Percentage
Easier access to loans for investment	80%
Increased competition viewed positively	65%
Potential for existing facilities to renovate with better financing access	75%
Favorability towards microloans and grants for small businesses	85%
Support for skill development programs	70%
Convenience of online booking and cashless transactions	90%
Belief in enhanced transparency with digital financial tools	80%

The opinion of the travel agents that was obtained through the survey supported this argument with 80 % response affirming that loan accessibility on increased investment on new tourism ventures would have been provided. While 65% of the respondents said that new business competition was useful in boosting the performance of existing businesses, 75% of the respondents said new commercial facilities may improve with better financing opportunities. An impressive 85% of those surveyed endorsed micro financing and micro credit as well as grants for small businesses and 70% supported human resource development skills training programs. Moreover, 90% of the time consider online booking and cashless transactions as rather comfortable and 80% state that applying digital financial instruments would contribute to improving the level of transparency. Thus, it is crucial to offer necessary financing opportunities and apply digital platforms for the support of development and perspective growth of the tourist industry, to show key spheres requiring specific attention and enhancement.

4.8 Tour Operators Seek Funding, Embrace Digital Tools

Description	Percentage
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Need for easier access to loans	85%
Importance of renovation of existing facilities	80%
Acknowledgement of potential competition	70%
Support for microloans and grants	90%
Importance of skill development programs	75%
Preference for online booking platforms	95%
Expectation of digital financial tools' improvement	85%

The poll of the tour operators confirms that financing accessibility is crucial to drive innovation and growth in the tourism business, as 85% admitted the desire to get better access to the ceded loans for newbies. Asked whether renovation of existing facilities was important, 80% of respondents said yes, underlining the need to economy investment in infrastructure. On the competitive threat posed by new entrants for easier financing, an interesting finding was noticed all 70% of the respondents considered the force helpful for the provision of innovation. 90% of the respondents affirmed that micro loans and grants were helpful to SMBs while 75% embraced Skill development programs as possessing innovative solutions crucial for improving service quality. The 95% of the participants agreeing with the view that the use of online booking platforms and the adoption of cashless means shows the need for digital solutions is proof of the same; moreover, the 85% of the participants that believed that digital financial tools shall enhance transparency and accountability. In general, these results can contribute to the understanding of the challenges that need to be addressed by the authorities and other relevant actors who are willing to enhance the positive trends in the tourism industry.

4.9 Researchers: Strong Backing for Finance & Tech Innovation

Description	Percentage
Improved Access to Financing	100%
Easier Loans for Investment	75%
Increased Competition	60%
Renovation of Facilities	70%
Support for Small Businesses	80%
Skill Development Programs	65%
Online Booking Platforms	85%
Cashless Transactions	85%
Digital Financial Tools	75%

A recent online poll conducted among tourism research and academics proves that everyone agreed with the need for better access to financing, 75% of participants suggested increasing the ease of getting loans to stimulate investments into fresh entrepreneurship projects. Financing accessibility was considered as having a positive impact on job creation, most specifically through stimulating more competition at 60%, while business renewal with enhanced facilities was acknowledged by 70% of respondents. A clear majority of Norwegian respondents approved of the policies promoting support for small business (80%), and for the skill development schemes (65%). Further, people showed confidence in the online portals to book their tickets and other cashless transaction systems up to 85% and regarding use of digital tools in financial transaction to make it more transparent were also sure up to 75%. These conclusions reveal the growing appreciation for the impact of financial liberalisation and technological developments in influencing the destiny of the tourism industry.

4.10 Access to Traditional Bank Loans:

Question	Response	Percentage
Applied for Loan	Yes	60%
	No	40%
No. of Applications	1	40%
	2	30%
	3	20%
	4 or more	10%
Successful in securing loan	Yes	35%
	No	65%
Reasons for Rejection	Insufficient collateral	50%
	Lengthy and bureaucratic process	30%
	Bank prioritizes established sectors	20%

The survey suggests that 60% of the respondents used conventional avenues, in particular bank loans, while 40% did not. Applicants completed an average of one or less applications, 30% of applicants completed two, 20% completed three, and 10% completed four or more. Out of this 35% of the respondents were able to access the loan while 65% of the respondents were rejected a loan by the credit facility providers. Some of the common ones that have been cited by the firms as the reasons for rejection are Collateral inadequacies; this was the most common reason cited by the firms where it received a 50% response; Lengthy and bureaucratic process; this was the second reason on the list where it was indicated by 30% of the firms; Bank focuses more on established sectors; this was indicated by 20% of the firms.

4.11 Adequacy of Loan Products:

Question	Response	Percentage
Suitability of Existing Loan Products	Agree	25%
	Neutral	20%
	Strongly Agree	20%
	Disagree	15%
	Strongly Disagree	20%
Importance of Flexible Repayment	Very Important	40%
	Important	30%
	Neutral	15%
	Somewhat Important	10%
	Not Important	5%

The evaluation of adequacy of loan product is also quite conflicting. About the existing products, 45% of respondents rather strongly agree or agree camp with the remaining 35% being neutral about the same while 35% might disagree or strongly disagree with the same. About the flexible repayment importance, as expected, there were a considerable number that deemed it either very important/important, which came to 70%, 25% were indifferent or felt it was somewhat important, while 5% considered it unimportant.

4.12 Information Asymmetry:

Question	Response	Percentage
Confidence in Preparing Business Plan	Somewhat Confident	40%
	Neutral	25%
	Very Confident	20%
	Not Very Confident	10%
	Not Confident at All	5%

Received Training	No	70%
	Yes	30%
Satisfaction with Communication	Neutral	35%
	Satisfied	30%
	Dissatisfied	20%
	Very Satisfied	10%
	Very Dissatisfied	5%

It presents a clear picture of the fact that there is a large gap in the information available and needed across a range of key aspects of business activity. As shown in the first variable, a third or 33% are somewhat confident regarding the preparation of business plans, while a quarter is uncertain about it. On the same note, only 20 said they have very high levels of confidence in this aspect. Additionally, a shocking 70% say they never received any formal training, meaning that a large contingent is ill-equipped to deal with many of the issues that face unique business strategies. About communication, the respondents are divided into three categories that may be categorized as slightly positive, slightly negative, and neutral, with 35%, 30%, and 25% of respondents, respectively. Based on these results, it calls for prompt efforts to eliminate gaps in knowledge, practice, and organizational communication to enhance equity within organizations so that productivity and efficiency can be produced for all parties involved in business.

4.13 Infrastructure Bottlenecks:

Question	Response	Percentage
Challenge of Limited Infrastructure	Moderate Challenge	40%
	Major Challenge	30%
	Minor Challenge	20%
	Not a Challenge	10%
Internet Connectivity	Somewhat Reliable	50%
	Always Reliable	30%
	Unreliable	15%
	No Internet Access	5%

Lack of infrastructure is a major concern, as 40% of people mentioned that it is a moderate concern while 30% respondents said that it was a major concern for them. Internet connection is also an issue with 50% colouring somewhat reliable internet connection, 30% always having reliable internet connection, 15% having unreliable internet connection and 5% reported having no internet connection at all.

5 Observation from the findings

5.1 Potential Benefits of Improved Banking and Finance for Bangladesh's Tourism Sector

A better banking and financial system in the country can greatly enhance the tourist industry in Bangladesh through efficient and timely access to funds, better ways to manage money, and creating higher chances of introducing innovative ideas and technology. Here is a breakdown of the potential benefits in specific areas: Here is a breakdown of the potential benefits in specific areas:

5.1.1 Financing Tourism Projects (hotels, resorts, travel agencies, etc.)

Increased Investment: With prompt and cheaper business loans, the investors will be able to engage in new establishments in the tourism sector such as hotels, resorts, travel agencies, among others. This will

increase the variety of accommodation that is available for tourists and avail a chance to tap in tourists that happen to have a different taste and preference.

Infrastructure Development: It can aid in putting up transportation systems, tourist information centers, and recreational facilities, among others. It is still going to increase accessibility, provide the tourists with a much better experience, and thus draw in more visitors.

Renovation and Upgradation: There is an opportunity through the ailment of funds for existing tourism businesses to refurbish facilities or improve amenities and embrace sustainability. This will put them in a position to compete and meet the desires of the changing face of the tourism sector.

5.1.2 Supporting SMEs in Tourism

Microloans and Grants: Baker et al. 's (2018) self-employed workers, such as homestays, local handicraft stores, and independent tour guides can get microloans and grants. This will enable local communities to engage in the tourism business, embrace cultural endowment, and earn an income.

Skill Development Programs: The tourism authorities should also engage the financial organizations and provide them with the development of the SMEs skill programs. It will boost their ability to offer improved, professional, and counter competitive services in the market.

5.1.3 Islamic Finance Options for Tourism

Shariah-compliant Tourism Products: The use of Islamic finance instruments such as using profit sharing or leasing for tourism related ventures can attract more capital from unspecified more potential investors both in Bangladeshi and of other origins.

Ethical Tourism Investments: Main principles of Islamic finance for many times hold ethical and responsible criteria. This may help foster sustainable tourism initiatives that are right for the green tourists in growing the segment.

5.1.4 Digitalization and Cashless Transactions

Online Booking Platforms: Spending on digital technologies can enable online bookings of hotels, travel agencies or tours. This will enhance the comfort of the tourists/visitors, the success of the operations, and enhance the performance of the tourism industry.

Cashless Transactions: Popularization of digital wallets and cashless payment will make tourists' stay more secure and comfortable. This will lead to an inclination to spend more within the economy; thus, leading to a boost in the economy.

Financial Transparency: Technologically related applications can help increase the efficiency and accountability of financial statements in tourism enterprises. This means the investors will flock into the sector and such sectors will be forced to provide better services.

There is much more in store for Bangladesh and the boost needed for tourism growth by evolving banking and finance sectors. Greater investments will result in small and medium enterprises enhancing their abilities, cheap sources of capital, and a technological framework, all of which will lead to a more liberalized, healthier, and diversified tourism sector that will foster a positive impact on the nation's economic growth as well as job opportunities.

5.2 Challenges in Banking and Finance for Bangladesh's Tourism Sector

Nevertheless, there are several issues that limit the opportunities of accessing finance in Bangladesh's tourism industry: These restrictions put a lid on the sector's growth.

5.2.1 *Limited Access to Traditional Bank Loans*

Collateral Requirements: traditional banks mostly insist on the provision of collateral, which is hardly readily available among the young tourism SMBs and those that are in their embryonic stages.

Lengthy Application Process: The procedures of accessing loans are time-consuming and complex which reduces the chances of small businesses that are financially not powerful.

Focus on Established Sectors: Large established sectors were offered priority because of their reliability in returning profits thus, new or niche tourism businesses may not be funded.

5.2.2 *Lack of Specialized Financial Products for Tourism*

Generic Loan Products: The presently available loan products might not fully address the requirements of the tourism sector, in terms of revenue changes over specific periods or capital expenditure for improvements to infrastructure, respectively.

Limited Risk Tolerance: Banks might be reluctant because of various issues concerning tourism, for instance political instabilities that may lead to the formation of crises.

5.2.3 *Information Asymmetry between Banks and Tourism Businesses*

Financial Literacy Gap: Some tourism businesses, perhaps rural based ones, might not possess adequate financial literacy or even knowledge on how to present their business proposals and attract loans.

Limited Communication: Inadequacy of communication between the banks and the business in tourism results in lack of appreciation of the tourism industry's requirement and vulnerability profile.

5.2.4 *Infrastructure Bottlenecks (Transportation, Communication)*

Limited Infrastructure: Weak infrastructural development especially in transport and communication is a disincentive to tourism investment. Businesses found in areas that are not easily accessible could also be considered high-risk by banks, and hence, a source of credit could be rightly rejected by banks when they consider extending credit to such businesses.

Connectivity Issues: Lack of a steady internet connection, particularly in distant attractive tourist spots means that online solutions for trading, and booking systems may be problematic and affect feasibility from a lender's standpoint.

These and other challenges underscore the importance of integrating the banking institutions with the government and the major tourist players. Therefore, if these barriers are to be dealt with, it will be possible to adopt a suitable financial environment for developing the tourism sector in Bangladesh.

6 Research Gaps and the Bangladesh Context:

Even though the above-mentioned literature is found to be helpful to some extent, there is a lack of understanding about the particularities of Bangladesh's tourism financing. Earlier literature provides a conceptual model, however, for a more specific model of Bangladesh a clear more detailed account is needed.

7 Conclusion

In conclusion, the author of this paper wishes to stress on the significance which enhanced banking and finance may contribute to the sustainable development of Bangladesh' tourism sector. The possibilities of positively changed financial services are great and varied including promoting investment in tourism projects, developing the SME sector, as well as developing new Islamic finance solutions and digitalisation.

However, the process of achieving all these advantages is not without some hurdles. The study reveals that the following factors are hurdles to financing the tourism businesses: restricted access to conventional credit facilities; lack of sector-specific financial products; information failure showed by; unequal information flow between the banking institutions and tourism enterprises, infrastructural constraints including transport and communication systems.

To address these challenges, involve the policymakers, financial organizations, tourist boards, and stakeholders to work towards a single course. Sustained cooperation is required to create special offerings and facilitate access to finance for the operating sector of the tourism industry, to work on increasing the financial competence of the industry's participants, and on strengthening the cooperation between the banking and the entrepreneurial sectors, as well as to solve the problems of infrastructure.

This way, the obstacles outlined above, and other shortcomings can be overcome, and the potential of improved banking and finance looked at as opportunities for Bangladesh's tourism sector. Tourism is a valuable tool in economic development, and it also means job creation and encouraging cross cultural understanding, environmental conservation and people's economic growth and development all over the country.

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