

Bangladesh's hospitality industry : growing pains, great potential

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Dhaka : Once considered a modest sector serving domestic travelers and aid workers, Bangladesh's hospitality industry is now undergoing a remarkable transformation. Fueled by rising middle-class incomes, growing foreign investment, regional tourism, and government-led infrastructure upgrades, the industry is fast becoming a critical pillar of the country's economic ambitions.

Industry on rise

Over the past decade, Bangladesh has seen a steady rise in the number of hotels, resorts, and guesthouses, particularly in key tourist and business hubs like Dhaka, Chattogram, Cox's Bazar, Sylhet, and Khulna. The influx of local and foreign business travelers, combined with a post-pandemic surge in domestic tourism, has given the sector a much-needed boost.

As of 2024, Bangladesh hosts over 3,000 registered hotels and resorts, with a rapidly growing footprint of international chains such as Marriott, Radisson, InterContinental, Le Méridien, and Pan Pacific. The trend is now spreading to second-tier cities, which are witnessing investment in mid-range and budget accommodations to serve regional business travelers and tourists alike.



Leisure hospitality expansion beyond Cox's Bazar

Cox's Bazar-home to the world's longest sea beach-has emerged as a testing ground for high-end leisure tourism. Private developers and hotel groups are building beachside resorts, theme parks, and wellness centers to attract both local and international visitors.

Nearby destinations like Saint Martin's Island, Kuakata, and the

Chittagong Hill Tracts are seeing smaller but strategic investments in eco-lodges, boutique hotels, and adventure tourism facilities.

Business travel, urban hospitality

Dhaka and Chattogram, the country's primary business and diplomatic hubs, continue to dominate the urban hospitality market, with high occupancy rates in luxury and upper-midscale hotels. With the rise of export-oriented industries, IT hubs, and foreign missions, the demand for professional hospitality services is on the rise.

Corporate events, conventions, and trade expos are also fueling the MICE (Meetings, Incentives, Conferences, and Exhibitions) segment-an area with strong growth potential.

Investment, govt support

The government, through the Ministry of Civil Aviation and Tourism and Bangladesh Parjatan Corporation (BPC), has launched several initiatives to support the hospitality industry:

- (1) Designating Special Tourism Zones (STZs), especially in Cox's Bazar and Kuakata;
- (2) Offering tax incentives and foreign investment windows for hotel construction and resort development;
- (3) Establishing training centers for hospitality professionals in partnership with private institutes;
- (4) Promoting digital tourism platforms and online booking services.

Additionally, the development of airports, highways, and the upcoming Bay Terminal in Chattogram is expected to ease connectivity and improve access to hospitality hotspots.

Economic contributions, employment

The hospitality sector is a major contributor to tourism's share of Bangladesh's GDP-estimated at around 3.5 percent, with potential to grow much further. It directly and indirectly supports hundreds of thousands of jobs, particularly for young people and women, in hotel operations, food and beverage, housekeeping, events, and logistics.

The rise of hotel management schools, culinary institutes, and vocational training programs is also improving service standards and professionalizing the industry.

Challenges on path to growth

Despite rapid progress, the hospitality industry in Bangladesh faces several hurdles:

- (1) Skilled workforce shortages, especially in rural or newly developing areas;
- (2) Inconsistent service quality across property types;
- (3) Gaps in infrastructure, sanitation, and environmental management, particularly in tourism-heavy zones;
- (4) Limited integration of sustainability practices in hotel operations;
- (5) Lack of international-level tourism promotion and branding.

Safety concerns, unregulated constructions in sensitive ecological areas, and seasonal fluctuations in demand also add operational pressures.

Road ahead : sustainable, smart hospitality

With changing traveler expectations, the future of hospitality in Bangladesh lies in:

- (1) Green certifications and eco-friendly hotels;
- (2) Digital solutions for booking, check-in, and customer service;
- (3) Investment in smart hotels, wellness tourism, and inclusive hospitality (accessible tourism);
- (4) Strengthening regional tourism networks across South Asia.