

Rejuvenation of Small Businesses Affected by COVID-19: A Case on Tour Operators in Bangladesh

This report was prepared under the COMCEC COVID Response program.

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Table of Contents

Executive Summary	01
Introduction	05
1. Phase I - Assessing the Current Situation	14
1.1 Scenario of Small Tourism Businesses in Bangladesh	16
1.2 Tourism Attractions and Facilities in Bangladesh	20
1.3 Contribution of Tourism to the National Economy	23
1.4 Scenarios of International Tourism in Bangladesh	26
1.5 Distorted Tourism Sector Due to COVID-19	28
2. Phase II - Gathering and Analyzing Data	31
2.1 Description of the Survey	31
2.2 Declined Tourism Demand in Bangladesh due to COVID-19	34
2.3 Financial Loss of Small Tourism Business due to the Pandemic	36
2.4 COVID-19 and Employment Scenario of Small Tourism Business	39
2.5 Survival Strategies of Small Tourism Businesses	41
2.6 Small Tourism Business and Government Support	43
3. Phase III - Making Decisions and Recommendations	47
3.1 Challenges for Small Tourism Business during COVID-19 in Bangladesh	47
3.2 Future Impacts of COVID-19 on Small Tourism Businesses in Bangladesh	50
3.3 Revitalization Strategies of Small Tourism Business	53
3.4 Requirements for Recovery and Action	55
Conclusions	58
Bibliography	61
Annex A	65

List of Figures

Figure 1:	Regional Impact of COVID-19 on Travel and Tourism.....	06
Figure 2:	Decreased International Tourists' Arrivals (Jan 2020-Apr 2021).....	07
Figure 3:	Decreased Contribution of Tourism to Global GDP and Employment.....	08
Figure 4:	Classification and Criteria of Small Industry in Bangladesh.....	10
Figure 5:	Contribution of Tourism Sector to GDP as Percentage Share of Total GDP	14
Figure 6:	SWOT Analysis of Bangladesh as Tourism Destination.....	15
Figure 7:	Core Small Tourism Businesses in Bangladesh.....	17
Figure 8:	Industry Analysis of Small Tourism Businesses of Bangladesh.....	20
Figure 9:	Total Contribution of Travel and Tourism to GDP of Bangladesh.....	23
Figure 10:	Revenue from Tourism 2005-2019.....	24
Figure 11:	International Tourism Receipts of Bangladesh.....	25
Figure 12:	Contribution of Tourism to Employment (Thousands of Jobs).....	26
Figure 13:	International Tourist Arrival (in thousands) in Bangladesh.....	27
Figure 14:	Inbound and Outbound Tourism Scenario of Bangladesh.....	28
Figure 15:	Estimated Number of Jobs at Risks in Tourism.....	29
Figure 16:	Demographic Profile of the Survey Respondents.....	33
Figure 17:	Main Target Customer of Tour Operators and Other Small Tourism Businesses.....	34
Figure 18:	Mean Number of Customers of Small Tourism Business (2017-2021).....	35
Figure 19:	Amount of Average Annual Revenue before and during COVID-19	37
Figure 20:	Average Financial Loss of Different Small Tourism Business during COVID-19 in Bangladesh.....	38
Figure 21:	Average Survival Capacity of Different Small Tourism Business with COVID-19 Pandemic in Bangladesh.....	39
Figure 22:	Average Employees of Small Tourism Businesses in Bangladesh (2017- 2021).....	40
Figure 23:	Reasons for Not Getting Financial Incentives or Loans.....	46

List of Tables

Table 1:	Category of Major Tourism Attractions of Bangladesh.....	21
Table 2:	List of Disappointing Indicators for Bangladesh.....	22
Table 3:	Impact of COVID-19 on tourism industry of Bangladesh.....	30
Table 4:	Respondents' Categories and Fieldwork Locations.....	32
Table 5:	Impact of COVID-19 on Small Tourism Business.....	36
Table 6:	Impact of COVID-19 on Employment of Small Tourism Business.....	41
Table 7:	Techniques Applied by Small Tourism Businesses for COVID-19 Crisis.....	42
Table 8:	Rate of Received Govt. Support.....	43
Table 9:	Non-monetary Supports from the Government.....	44
Table 10:	Constraints for Small Tourism Businesses during COVID-19.....	48
Table 11:	Concerns of Small Tourism Businesses about the Consequences of COVID-19...	51
Table 12:	Recovery Plan of Small Tourism Businesses.....	54
Table 13:	Need Assessment for Small Tourism Businesses and Action Plans for Recovery	56

List of Abbreviations

BPC	:	Bangladesh Parjatan Corporation
BDT	:	Bangladeshi taka
B2B	:	Business-to-Business
BTB	:	Bangladesh Tourism Board
COVID-19	:	Corona Virus Disease – 2019
CEIC	:	Choice for Economic and Investment Research
FEE	:	Foreign Exchange Earning
FGD	:	Focus Group Discussion
HRDF	:	Human Resource Development Fund
HSC	:	Higher Secondary Certificate
LDC	:	Least Developed Country
MERS	:	Middle East Respiratory Syndrome
MoCAT	:	Ministry of Civil Aviation and Tourism
NHTTI	:	National Hotel & Tourism Training Institute
NTO	:	National Tourism Organization
OTA	:	Online Travel Agency
PATA	:	Pacific Asia Travel Association
SARS	:	Severe Acute Respiratory Syndrome
SME	:	Small and Medium-sized Enterprise
SOP	:	Standard Operating Procedure
SSC	:	Secondary School Certificate
TOAB	:	Tour Operators Association of Bangladesh
UNWTO	:	United Nations World Tourism Organization
VAT	:	Value Added Tax
WEF	:	World Economic Forum
WTTC	:	World Travel and Tourism Council

Executive Summary

COVID-19 has been one of the most destructive crises in the global travel and tourism sector. The pandemic has affected almost every sector of world economy more or less but tourism sector is the worst sufferer. The tourism sector of Bangladesh has also been severely affected by the pandemic. Especially the small businesses operated under this sector have suffered more losses. Tour operators, travel agents, small restaurants, small hotels & resorts, transportations, and handicraft & souvenir shops are the core small tourism business stakeholders in Bangladesh (these six categories of small tourism businesses were studied in this research). These small tourism businesses have faced unprecedented financial loss in their business due to the pandemic. Moreover, a large number of people associated in this sector have lost job during the pandemic situation. These small businesses need adequate support to deal with the crisis which will assist them in recovering from the losses and rejuvenating the business again in post-COVID-19 period.

The study aims at creating the pathways for the small tourism businesses including tour operators (the key stakeholder group of the study) so that they can renascence in the post COVID-19 period. Hence, in order to serve the purposes of the study, at first, the extent of damages these small tourism businesses faced due to the pandemic has been assessed. After that the needs of these small tourism businesses to recover the losses of pandemic were identified along with sustainable approaches to fulfill the needs. Finally, some recommendations based on empirical findings have been provided with regard to rehabilitating the small businesses. A mixed method research technique has been utilized in this study where both quantitative and qualitative data were used. Necessary data were collected from core small tourism businesses of five regions of Bangladesh namely Dhaka, Chattogram, Sylhet, Khulna and Cox's Bazar through fieldwork survey. Besides, a number of tourism experts and policy makers were interviewed to have their valuable insights into significant aspects of COVID-19 situation and small tourism businesses.

Empirical Findings: The empirical data indicate that a number of changes have taken place in the cases of small tourism businesses in Bangladesh due to COVID-19.

- After declaring the lockdown in early 2020 in Bangladesh, the demand for tourism experienced a dramatic fall - close to zero demand.

- In case of all the categories of small tourism businesses, on an average the number of customers decreased by 82.97% in 2021 compared to 2019.
- Among all the small tourism businesses, the handicraft and souvenir shops have experienced maximum damage in terms of number of customers.
- With regard to revenue losses, small hotels and resorts have experienced the greatest loss due to the pandemic.
- Before COVID-19, 62% small tourism businesses had annual revenue of BDT 10 lakh or above whereas in 2021 the percentage declined to 9.8%.
- About 46% people working in different categories of small tourism businesses have lost their job due to the pandemic in Bangladesh.
- 72.7% of small tourism businesses have laid off employees to cut cost and afloat their business during the pandemic.
- Among all the categories of small tourism businesses the highest number of employees has been laid off from small hotels and resorts.
- Due to the losses incurred by different small tourism businesses their capacity to survive in the tourism sector have decreased where tour operators have the highest survival period of 24.5 months among all the categories small tourism businesses.
- With a view to coping up with the pandemic situation small businesses have utilized a number of strategies where the most widely applied strategy was temporary shut down of the business.
- The impact of the pandemic was so severe that 15% small tourism businesses had to permanently close the business.
- A number of small tourism businesses (25%) preferred to take loan from friends, family members, and relatives to continue the business.
- The Government of Bangladesh has offered a number of monetary and non-monetary supports for the small businesses such as financial cash incentives, loans in minimal interest rate, training & workshop, and advice & guidelines.
- Though the Government offered several incentive packages, a large number of small tourism business (89.8%) did not receive any support from the Government due to various reasons.
- Government agencies and banks usually focus on factory-based SMEs for financial support thus they sometimes neglect tourism business in providing financial incentives or loans.

Recommendations: In order to rejuvenate the small tourism businesses including tour operators in Bangladesh a range of approaches and strategies need to be utilized.

- Sufficient support for small tourism businesses should be provided by the Government through offering various financial and non-financial incentives such as grants, allowances, loans with no interest, tax and VAT waiver, training and education, marketing and promotional support. All small tourism businesses should have equal access to those incentives.
- Many small tourism businesses do not have the capacity to pay back the loans thus they should be provided with the loans as a relief.
- Lockdown should be imposed in a planned way by consulting with key tourism stakeholders so that the small tourism businesses including tour operators can plan for the stable business operation. Sudden and repeated lockdown should be avoided.
- The Government of Bangladesh should renovate and repair different tourism sites as the sites remained closed for a long period of time during the COVID-19 situation which degraded the quality of on-site tourism facilities.
- Training should be provided to small tourism businesses including tour operators in relation to crisis management. It will help in formulating strategic and technical plan to respond to any crisis like COVID-19.
- Employees of small tourism businesses should be on the first priority for vaccination and they need to be provided with enough health security (e.g. life insurance).
- Capacity building initiatives need to be undertaken by assessing the required skill of different small tourism business operators particularly in post-COVID-19 era. For instance, providing training on managing business online as the online platform will play the pivotal role in future.
- The Government of Bangladesh should provide special attention to the tourism sector. A separate department can be formed only for tourism sector under the Ministry of Civil Aviation and Tourism of Bangladesh.

Implications: The findings of the research can be useful to several stakeholders of the tourism businesses nationally and internationally.

- Government can use the findings of the research to formulate policy, develop strategies, and take actions in order to help small tourism businesses to rejuvenate in the post-COVID-19 period.

- International donors, development agencies and NGOs can utilize the research findings to development assistance programs for small tourism business in Bangladesh and in similar situation in other countries.
- Small tourism business can consider the findings of the research to develop their business recovery plan.
- Universities, academia, and research institutes can use the research for comparing the trends, patterns, situational differences within and across the border in order to share the knowledge around the world.

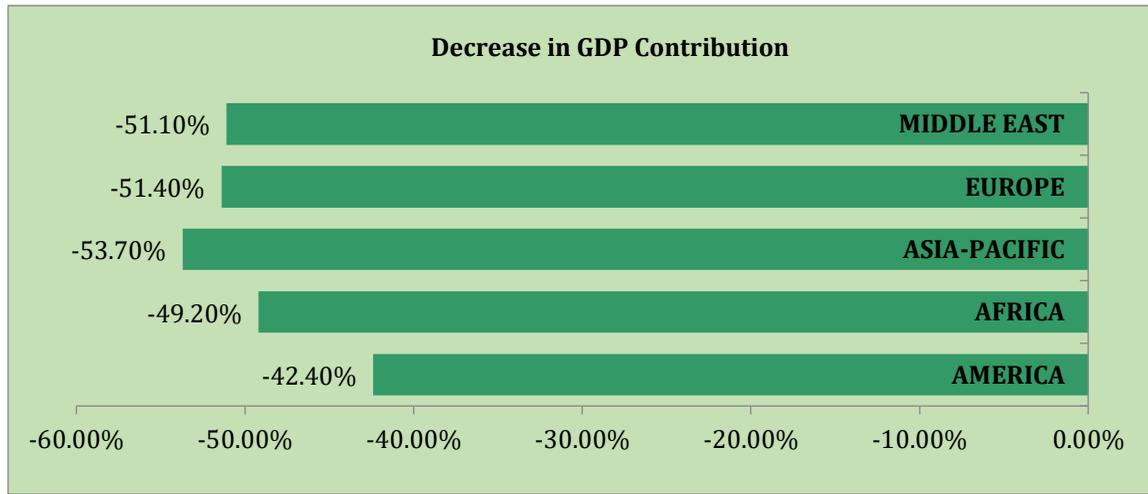
Introduction

The global outbreak of the COVID-19 virus is having a major influence on the worldwide economy. Travel and tourism industry is the most affected industry globally, which is already assured by different international organizations. The travel and tourism industry was one of the first sectors to be affected by COVID-19. Since March 2020, the entire value chain that describes the industry - airlines, bus and train operators, cruise lines, hotels, restaurants, attractions, travel agencies, tour operators, online travel entities, and others - has entered into a standstill condition. While bankruptcies of major airlines and large tour operators have been widely reported, the effects of the crisis are perhaps being most acutely felt by the Small and Medium Enterprises (SMEs) that make up around 80% of licensed tourism and tourism-related businesses, and are at the greatest risk of failure (World Bank Group, 2020). Their potential collapse threatens to adversely affect millions of people worldwide, including many vulnerable communities, who depend on tourism for their livelihoods.

The Asian tourism sector including other regions has been seriously affected by the pandemic's outcome and has been predictable to lose GDP, equivalent to USD 1041 billion (Holy, 2020). Figure 1 depicts decrease in contribution of travel and tourism to regional GDP as a result of COVID-19 pandemic where it is evident that Asia Pacific has seen the most awful impact. The travel and tourism sector of Bangladesh has also reportedly suffered due to the COVID-19. The government was forced to temporarily close all public events at tourism sites due to this epidemic's massive fear to save all residents (Lalon, 2020). The World Travel and Tourism Council (WTTC) have revealed that the tourism industry of Bangladesh has faced a deficit of USD 3.1 billion in 2020 (WTTC, 2021).

In responding to the pandemic, the Government of Bangladesh has employed a range of instruments to support small tourism businesses including tour operators. While debt finance appears to be the most popular form of support among governments, other instruments employed include easing regulatory burdens, waiving taxes, fees and charges, provision of cash grants and subsidies, and employment and training support. By closely monitoring the impact of these measures Governments can avoid unintended consequences of support measures in the medium term. This study concentrates on the rejuvenation strategies for small tourism businesses affected by the COVID-19. However, the major focused stakeholder category of this study is tour operator businesses in Bangladesh.

Figure 1: Regional Impact of COVID-19 on Travel and Tourism



Source: WTTC (2021)

COVID-19 and the Tourism Industry

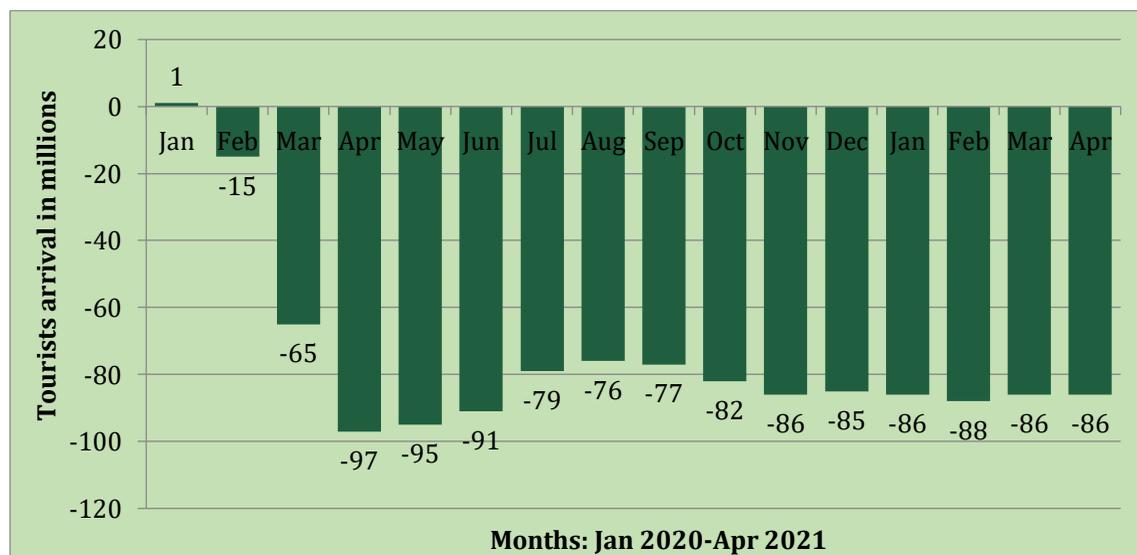
Crisis can generate change in any sector, but the tourism sector has adversely been affected than any other sectors (Hall et al., 2020). The COVID-19 pandemic is one of the most shocking crisis periods for the world. Though tourism industry has faced several crises including the Severe Acute Respiratory Syndrome (SARS) epidemic in 2003, global economic recession in 2008, and the outbreak of Middle East Respiratory Syndrome (MERS) in 2015 but COVID-19 has been the most disastrous one (Hassan & Ferdaus, 2020). The impacts of the crisis had not been limited to only a specific area or place rather than spread over numerous countries and severely endangered lives. Various measures like travel restrictions, complete lockdowns, and border closure have taken to contain the pandemic (Sharma & Mahendru, 2020). Consequently the tourism and hospitality sector has faced unprecedented challenges.

Since the beginning of the pandemic, it had spared throughout the world within a very short period of time and start wreaking havoc in different regions. Asia Pacific region was firstly affected by COVID-19 and then North American region, Europe thereafter and finally the African region. The maximum countries closed their border and it almost collapsed the international tourist arrivals which had a high (95% to 100%) impact on their economy. According to Hall et al., (2020), in the initial phase of the pandemic 90% of world population confined themselves inside the home or own country because of the closed boards and travel

restrictions. However, an exception in case of four Countries-Bulgaria, Indonesia, Mexico and Sweden has been observed (Qiu et. al., 2021). These countries did not impose lockdown, travel restrictions or such other initiatives rather they motivate the residents voluntary social distancing and few other light controls. Such initiatives helped them to quick tourism recovery.

Mobility and sociability are the ground of tourism activities and COVID-19 pandemic has affected this ground of tourism industry (Sharma, Thomas & Paul, 2021). As a result, the global tourism industry has faced most serious effects ever by the outbreak of COVID-19 pandemic. According to UNWTO (2021), tourist arrival decreased by 73% in 2020 and in the first quarter of 2021 the rate becomes 84% (See Figure 2). Many countries have also faced various challenges due to the pandemic. In Malaysia, airline industry was the most affected as the industry had lost much revenue and was in a situation of facing bankruptcy (Foo et al.,2020).Pandemic periods decreased the number of occupied rooms, occupancy rates, total operating revenue and number of employees of hotel industry in Taiwan (Fu, 2020).In India, the pandemic has reduced the foreign exchange earnings, hindered regional developments, destroyed the job opportunities and broken down host communities’ confidence (Jaipuria et al., 2020).

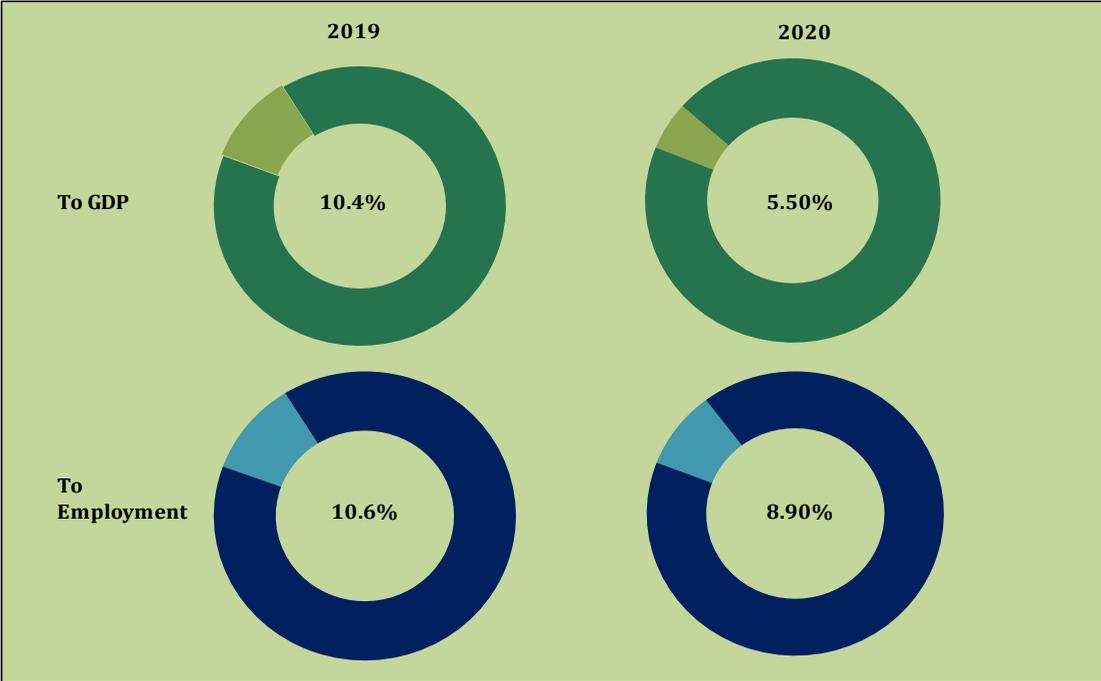
Figure 2:Decreased International Tourists’ Arrivals (in Millions/Jan 2020-Apr 2021)



Source: UNWTO (2021)

The damages caused by the COVID-19 pandemic clearly state that COVID-19 has been one of the most devastating pandemics the world has ever faced. Along with the health crisis the pandemic has brought economic crisis which is being well witnessed in all sectors including tourism (Mehroliya, Alagarsamy, & Solaikutty, 2020). According to the WTTC (2021), as a result of the COVID-19 pandemic in 2020, around 62 million tourism jobs were lost and the global travel and tourism sector has suffered a loss of almost USD 4.5 trillion (WTTC, 2021). Figure 3 is a reflection of the impact of COVID-19 pandemic on global tourism industry where it is reflecting that in 2019 contribution of this sector to global GDP was 10.4% and to employment was 10.6% which was decreased to 5.5% and 8.5% respectively in 2020. Due to the pandemic, furthermore, visitor spending has also decreased substantially. For example, international visitor spending has reduced by 69.4% and domestic visitor spending has reduced by 45% in 2020 compared to 2019 (WTTC, 2021).

Figure 3: Decreased Contribution of Tourism to Global GDP and Employment



Source: WTTC (2021)

The Governments in many countries have taken various measures to assist the travel and tourism sector in recovering from the devastating impacts of COVID-19 pandemic. The Malaysian Government has declared several stimulus packages for the affected stakeholders and boosting the tourism industry (Foo et al., 2020). The packages include flexible guidelines for hotel use, 15% discount on electricity bills, exemption of taxes and such other payments, raising human resource development fund, restructuring the bank loans for 6 months and wage subsidy programs. The Government of Taiwan approved total NT \$7 billion for supporting the tourism related sector as the means of relief, subsidies and revitalization. The subsidized amount is also utilized for maintaining the hotels operational expenses and paying employees' wage (Fu, 2020). It is noted that Governments in those countries also have increased their marketing and promotional activities for attracting the foreign tourists as well as stimulating domestic tourism.

Significant influence on tourist behavior patterns are also reflected due to the COVID-19 pandemic. Tourists are now more concerned about the health hygiene. They prefer destinations with fewer crowds and look for enough safety measures in service providers (European Commission, 2020). Considering the facts, reshaping or reassessing the present business model and adopting innovative steps for restructuring the confidence of tourists are deemed to be appropriate. Moreover, medical solution to rebuild the confidence of the travelers is highly recommended to the tourism authorities for subsidizing the industry, promoting insurance packages and Vaccine Tourism (Fotiadis et al., 2021). COVID-19 crisis as the "temporary shock" to the tourism industry will have long term impacts over tourists and tourism businesses. Hence, adopting proper crisis management strategies and promoting domestic and short haul tourism for recovering quickly are also considered as significant steps towards responding to the pandemic (Zhang et al., 2021)

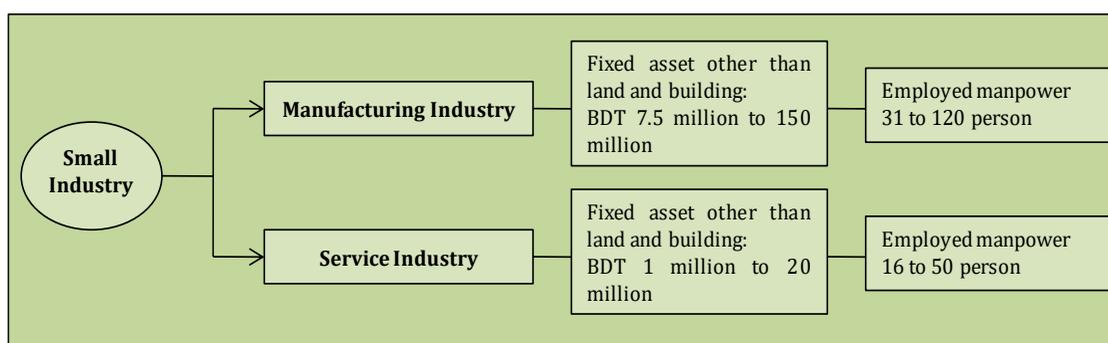
As the recovery measures of tourism, substitute approaches in the forms of cooperatives, non-profits, social enterprises and social business are crucial to facilitate tourism (Desbiolles, 2020). Though COVID-19 has been a great threat for tourism industry (Hossain, 2020; Foo et al., 2020; Fu, 2020; Karabulut et al., 2020; Fotadis et al., 2021) but it has also opened the opportunity to make tourism more responsible for society and ecology (Desbiolles, 2020). In this regard, emphasis should be given on the development of domestic tourism and small and medium tourism enterprises. On the other hand, adopting discount and incentive-based promotional strategies in tourism and hospitality services are considered to be essential for

catching the attention of potential tourists and sustain the tourist market (Zhang et al., 2021). However, supports from government and financial/nonfinancial institutions, promotional strategies, development of new product and market, and enhancing destination attractiveness are vital elements in recovering the losses and effects of COVID-19 from tourism sector (Hall et al., 2020).

Small Tourism Businesses in Bangladesh

Small businesses are considered as the main drivers of economic growth around the world. For a developing country like Bangladesh, this industry plays a major role in creating employment opportunities, stimulating entrepreneurship, expanding economic activities, promoting export and trade (Chowdhury, 2020). Thus the contribution of small businesses in economic and social development of Bangladesh is undeniable. According to SME policy of Bangladesh Bank (2011), small industry refers to the firms or businesses which is not a public limited company, have a fixed asset (other than land and building) of costing less than BDT 150 million, and employs between 16 to 120 staff. There are mainly two types of small industries operated in Bangladesh, one is small manufacturing industry and another one is small service industry which is represented in Figure 4 along with their criteria.

Figure 4: Classification and Criteria of Small Industry in Bangladesh



Source: Bangladesh Bank (2011)

The figure reflects that a small manufacturing business has fixed asset (other than land and building) costing BDT 7.5 to 150 million and employed manpower between 31 to 120 person. On the other hand a small business related to service has fixed asset (other than land and building) costing BDT 1 to 20 million and employed manpower between 16 to 50 person

(Bangladesh Bank, 2011). The nature of tourism businesses operated in Bangladesh (e.g. tour operation, travel agency, hotel, restaurant) depicts that they are mostly belongs to small service industry. Although many tourism businesses in Bangladesh generally have a small number of permanent employees but this number often increases depending on the progress of work. For example, the number of employees in tour operation business never remains same. In general when they organize a tour their number of employees increases more than usual as they hire other part-time or casual employees.

Small tourism businesses portrays the image of the destination before local and foreign tourists when they provide different services to tourists such as accommodation, food and beverage, transportation, tour guiding, and entertainment. Thus the small businesses operated in many tourism sites of Bangladesh can be considered as a core medium for the destination promotion. Proper engagement of such small tourism businesses with destination marketing initiatives can ensure success of those efforts. However, small tourism businesses in Bangladesh often face wide range of challenges in their business operation relating to poor access to finance and extreme vulnerability to external shocks (e.g. crisis). Such challenges can be minimized to a great extent with the help of public sector. Thus in an effort to flourishing tourism sector of Bangladesh, significant priority should be provided in developing and supporting small businesses operated in this sector.

Purpose of the Study

The second wave of COVID-19 has arrived with more destructive form. There has no other sector than tourism which is overturned because of COVID-19 (Zhang et al., 2021). In this situation, the second wave nothing else but “To Slay the Slain”. As the wave has emerged at the end of March 2021, its effects on the tourism and hospitality sectors are still unexplored. Tourism and hospitality industry is an umbrella concept(Walker, 2012)and associated sectors such as-lodging, restaurants, airlines, tour operators, travel agents etc. are directly involved with the industry. The COVID-19 has remarkable influence on each of these associated sectors.

Meanwhile, small businesses are run with small capital and earn small profit. But their risk level is high. In Bangladesh, tourism is a growing sector. This sector is supported by various business interventions like hotels, resorts, restaurants, tour operations, travel agencies transportations, handicrafts and souvenir shops etc. which are also retained in growing stage. The business interventions are fallen in the small business categories in terms of their capital

and human resource. In the pandemic of COVID-19, small business firms have faced the most vulnerable situation, shut down their business and switched to other jobs which are literally unexplored. Bangladesh Tourism Board (BTB), however, took some training programs on how to survive during this unprecedented hazard. Still now, there is no specific policy and guideline about how they renascent their businesses. This study is an attempt to explore the current situation of small businesses operating in tourism sector and guide them to rejuvenate.

Tour operators and travel agents are the main establishments that keep on the life line blood circulation into this industry. Scholars and renowned organizations reported that they have been hard hit, many educated and trained employees were thrown out of jobs in these subsectors and the degree of frustration is getting high among the job losers leading to creating social imbalance in one hand and on the other hand the trained, educated youngsters are losing interest in tourism sector to build up their career. Small restaurants, vehicle service providers and other small enterprises have also hard hit during this coronavirus era. Unfortunately, it can't be predicted when this situation will overcome and there have almost no guidelines to recover the situation. Under the circumstance, the broad objective of this study is to create the pathways for the tour operators and other small tourism business so that they may renascent in the post COVID-19 period. The specific objectives are:

- To assess the damage these small tourism businesses suffered during COVID-19 (up to December, 2020);
- To assess the needs of tour operators and other related small businesses in new normal situation;
- To find out sustainable ways to fulfill the needs; and
- To recommend effective and sustainable path to rehabilitate the tour operators and related small tourism business.

Methodology of the Study

In order to address the objectives of this research, both quantitative and qualitative methods have been utilized. For collecting quantitative data a survey has been conducted among the small tourism business stakeholders. The responses were mainly collected from the individuals associated with running any core small tourism businesses such as tour operators, travel agents, small hotels and resorts, small restaurants, transportations, handicrafts and souvenir shops. The tour operators, the key stakeholder group of the research interest,

constitute the largest portion of the sample. With a view to collecting data, five regions of Bangladesh namely Dhaka, Chattogram, Khulna, Sylhet, and Cox's Bazar were selected as fieldwork locations. These regions have been selected by utilizing non-probability purposive sampling approach. The criterion of selecting the fieldwork regions was based on their relative importance in relation to travel and tourism in Bangladesh.

To collect the qualitative data, some interviews were taken from policy makers, tourism leaders, experts, local administration, NGOs, and the facilitators who are helping the tour operators to survive in the challenging COVID-19 period. Stakeholder analysis was done to identify potential respondents based on their role in the development of tourism sector in the country and degree of association in any efforts to rejuvenate the tourism sector again by minimizing the impacts of the pandemic. It assisted in the research directly by extracting significant information and specific aspects on the real scenarios of tourism sector of the country before and during COVID-19 pandemic.

Secondary data sources have also been utilized in conducting the research. Different organizations including national, regional, international (e.g. TOAB, PATA, WTTC, UNWTO, WEF, and the World Bank) have been working earnestly towards assessing the vulnerable impact of COVID-19 on tourism sector and recommending various aspects for recovering from the unprecedented situation both globally and locally. Information provided by these organizations in the form of reports or data with regard to the economic loss, reduced jobs and decreased tourists arrival in tourism sector has act as an important component in this research. Several statistical software like SPSS version 23.0 (for data cleaning, analysis and presentation), RStudio (for statistical computing and graphics design) and MS Office have been utilized in this research to analyze data and present findings. However, the 'Phase II' of this report includes a detailed description about methodology and findings of the research.

1. Assessing the Current Situation

Bangladesh is a developing country in South Asia. The country holds enormous potentiality for tourism as it is blessed with numerous unique tourism attractions like sea beaches, forests, rivers, historical sites, rich culture and heritage and many more (Hossain & Wadood, 2020). In spite of having huge prospective to grow the tourism sector in Bangladesh, this sector remains in the primal stage and creates a little impact on economy of the country (See Figure 5). However the Government of Bangladesh has taken a number of measures to develop the sector such as formation of National Tourism Organization (Bangladesh Tourism Board), Government Tourism Organization (Bangladesh Parjatan Corporation), and National Hotel & Tourism Training Institute (NHTTI). These organizations play leading role in stimulating and promoting the tourism industry of the country. Apart from these the Government allocates a significant amount to the Ministry of Civil Aviation and Tourism (MoCAT) every year with a view to ensuring proper growth of the sector.

Figure 5: Contribution of Tourism Sector to GDP as Percentage Share of Total GDP

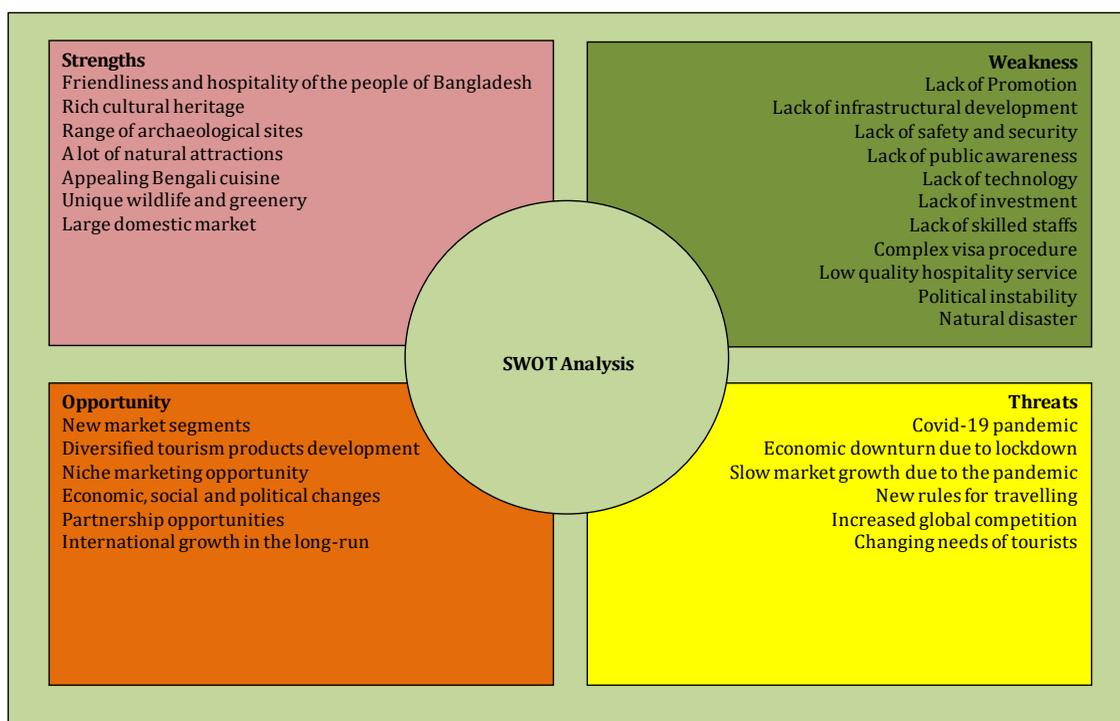


Source: Knoema (2021)

Tourism status of Bangladesh considering the role of tourism sector to the economy in relation to other neighboring countries is not satisfactory. By utilizing tourism industry properly many countries have achieved significant success but Bangladesh is lagging far behind in this regard (Ishtiaque, 2013). For instance in 2018, contribution of travel and tourism sector to GDP (as a percentage of total GDP) was about 66.4% in Maldives, 12.5% in Sri Lanka, 9.2% in India,

7.9% in Nepal and 7.1% in Pakistan. In that year contribution of travel and tourism sector to GDP in Bangladesh was 4.4% which is relatively very low compared to other South Asian countries. Tourism growth of any country depends on a number of factors such as convenient transportation system, no restrictions on travel, and advancement in information technology. In order to develop tourism industry in Bangladesh such factors needs to be emphasized appropriately (Islam, 2015). Hence, to harvest the full opportunity of tourism industry in Bangladesh identification of notable challenges as well as resources must be done appropriately. Figure 6 represent analysis of core strength, weakness, opportunity and threats for the tourism industry of Bangladesh.

Figure 6: SWOT Analysis of Bangladesh as Tourism Destination



Source: Fieldwork outcome

Tourism being a service industry is much more labor intensive than other industries (Thomas, 2004). Skilled and professional human resource is a key component for the success of tourism industry as this industry requires personal service. In Bangladesh, a wide range of small businesses are associated with tourism services with an aim of providing personalized services

to tourists. Some of these businesses are developed based on a specific place such as hotel, motel, restaurant, street food vendors, and souvenir shops located in and around tourism sites. On the other hand, many small businesses are operated from any convenient location which is far away from the tourism sites such as tour operators and travel agents. These small businesses create employment opportunities for the entrepreneurs along with other people. For a developing country like Bangladesh where unemployment rate is increasing day by day such small tourism businesses play a significant role in socio-economic development of the country.

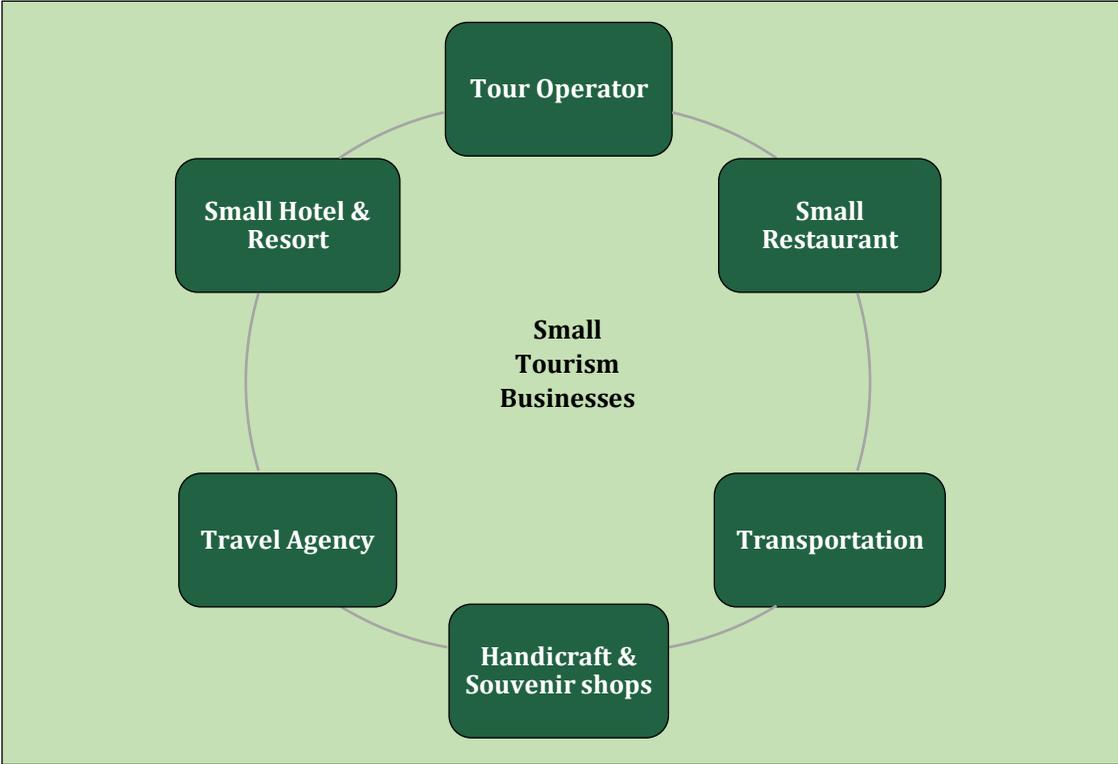
1.1 Scenario of Small Tourism Businesses in Bangladesh

Tourism sector of Bangladesh is growing constantly along with numerous business operated in this sector. In Bangladesh different size of tourism businesses are operated precisely but most of them are small business. A number of constituents differentiate them from the large scale tourism businesses such as a short-term business horizon, often limited knowledge of the business environment, and owner-managed structures in which attitudes, personal qualities (e.g. leadership skills) and experience influence the way tasks are managed. The prime categories of small tourism businesses found in Bangladesh are tour operators, travel agents, small hotels and resorts, small restaurants, transportation, handicrafts and souvenir shops (See Figure 7). Since most of the people in Bangladesh have low to medium income, they don't afford to take expensive travel activities. In this case small tourism businesses play a significant role in stimulating tourism throughout the country as they generally provide inexpensive basic tourism services like accommodation, food, transportation, travel assistance and so on.

Tour operators are considered to be the key party for the success of the tourism industry of Bangladesh. They have been playing a leading role in stimulating travel and tourism activities throughout the country. Tour operators mainly accumulate two or more tourism products or service from separate suppliers (e.g., hotels, resorts, restaurants, transports, entertainment venues), combine them into a package, and sell them to various customers. They mostly operate domestic tours in different tourism sites of Bangladesh especially in those places where it is difficult for tourists to arrange any tour by themselves such as, Sundarbans, Bandarban, Rangamati, Khagrachari, and Sylhet. Apart from the COVID-19 situation, demand for travel and tourism activities has increased considerably across the country which has

induced growth in tour operation business too. Generally, the tour operators of Bangladesh have an office in convenient location from where they operate their business with low number of employees but when they arrange any tour they appoint many part-time or casual employees.

Figure 7: Core Small Tourism Businesses in Bangladesh



Source: Fieldwork outcome

Tour operators, an important stakeholder of tourism industry play a major role in flourishing the tourism industry of the country as they portrays image of Bangladesh before international tourist market. There are some inbound tour operators found in Bangladesh who actively promotes the tourism products and services to international tourist market. They generally organize inbound tours throughout the country by inviting tourists from European and Asian market. Meanwhile, outbound tour operators mostly arrange tours in different destinations like India, Nepal, Maldives, Malaysia, Thailand, Indonesia Sri Lanka, and in other countries. Some outbound tour operators mostly concentrate on Hajj and Omrah tours. However, a

number of local tour operators run their businesses in different tourism sites such as in Khulna, Chattogram, and Sylhet.

Most of the tour operators in Bangladesh have a wing of travel agent. Moreover, a lot of travel agents solely operate their own travel agency in Bangladesh. They provide a number of services to tourists such as booking tickets, processing travel documents, reservations of hotel room and other ground services, preparing or customizing itinerary on behalf of tourists. Many travel agencies provide services specialized only on Hajj and Omrah. Among all those services booking airline tickets is the most popular service provided by travel agents in Bangladesh. They often sell tour packages developed by others. Though with the advancement of ICT (Information and Communication Technology) such services has become very easy to take from any corner of the world through online but most of the people of Bangladesh cannot use such online services provided by airlines, hotels, resorts, entertainment venues etc. thus they seek help from travel agents to take such services.

There are a lot of small hotels and resorts commonly located near popular tourism sites in Bangladesh. When a tourism site of Bangladesh becomes popular, small hotels and restaurants are established there. This type of hotels mostly established and operated under private ownership. Employees of such hotels generally vary from semi-skilled to unskilled labor. Service quality is not the top priority of such hotels providing accommodation is the core service. Although many small hotels try to incorporate good service quality along with accommodation but most of the hotels are not concerned about service quality. Price of rooms in such hotels varies depending on the location and level of service of the hotel. For example, hotels located near core tourism attraction like, sea-beach, hill, and tea garden typically charges higher price than others located in far away from such attractions. Apart from this in peak season such hotels have full occupancy thus they charge a higher amount than regular times.

Small restaurants are one of the most significant tourism service providers of tourism sector in Bangladesh. In recent years distinctively before the outbreak of COVID-19 pandemic, the number of restaurants has increased dramatically throughout the country with an increasing demand for budget friendly and quality foods. However, small restaurants operated in city area are quite different from small restaurants found in tourism sites. Generally price of food in restaurants located around tourism sites are relatively higher than the others found in urban area. A wide range of foods found in those restaurants ranging from local cuisine to

continental or international. The variety of foods found in some restaurants often depends on the location of the restaurant. For example, in almost every restaurant of Cox's Bazar one can find variety of sea foods or fishes. On the other hand, along with the increased demand for food tourism the number of restaurants is also increasing in many remote tourism sites. Some districts of Bangladesh are quite popular for their local special foods (e.g. Bogra is famous for sweet yogurt, Rajshahi is famous for mangoes, Chadpur is famous for Hilsha fish) so numerous small restaurants are established based on serving the local special foods in many sites.

Transport related small tourism businesses in Bangladesh are most often engaged in carrying tourists from different city areas to tourism destinations. There are some airlines that also provide this service to tourists but they don't fall under the category of small business. Bangladesh has a wide range of vehicles (e.g. buses, cars, rickshaws, tempos, CNG auto-rickshaws) and water transports (e.g. tourist vessels). Most of the operators of such vehicles and water transports run small business. Besides there are also some small businesses operate in tourism destinations that provide transfer services to tourists. They usually transfer tourists from one place to another place in a tourism site. Another thing is that depending on the route of a tourism destination the transportation service varies from destination to destination. For example, in the Chattogram Hill Tracts (Bandarban, Rangamati, Khagrachari) a popular type of tourist vehicle called 'Chader Gari' is used to provide the transfer service.

Handicraft and souvenir shops are found in almost every tourist sites of Bangladesh. A wide range of products are found in those shops such as decorative items, baskets, pottery, wall hangings, hand bags, travel kits, toys, ashtrays, carpets, embroidered quilts, jewelry, utensils, vase, cloths and dresses, and so on. To prepare such products bamboo, wood, clay, jute, metal, textiles are used as raw material. Tourists are the main customer of these products. Bangladesh has a rich cultural heritage and as part of its culture many destinations of Bangladesh is famous for various traditional handicraft items. For example Cumilla is famous for Khadi, Rajshahi for silk, Narayanganj and Mirpur for Jamdani, and Barishal for Shital Pati. In those sites numerous small handicraft and souvenir shops have sprung up around the arrival of tourists and depending on the needs of tourists they prepare wide array of handicraft and souvenir items.

Small tourism businesses play a significant role in stimulating entrepreneurship among local people of many tourist sites in Bangladesh. Small amount of capital requirement, availability of enough customers, simple process of starting business, and easy access to distribution channel

are some key stimulators for encouraging small tourism businesses in Bangladesh. Besides, with a view to operating small tourism businesses in Bangladesh a number of socio-economic forces are considered which can be well illustrated by the five forces model developed by Michael Porter in 1980. Figure 8 outlines industry analysis of small tourism business in Bangladesh. Although, small tourism businesses often encounter difficulties related to lack of financial resource, management incompetence, inadequate trained or skilled staff, and inability to provide enough safety and security to tourists, low level of service quality but these difficulties has never been the barrier in encouraging the entrepreneurs to initiate small businesses.

Figure 8: Industry Analysis of Small Tourism Businesses of Bangladesh

Threat of New Entrants (Moderate)	Bargaining Power of Suppliers (Low to Moderate)	Rivalry Among Existing Competitors (Moderate)	Bargaining Power of Buyers (Moderate to high)	Threat of Substitutes Products or Services (Moderate to high)
<ul style="list-style-type: none"> - Low entry barriers - Low chances of achieving economic of scale - Relaxed Government policies - Low capital requirement - Easy access to distribution channel 	<ul style="list-style-type: none"> - Large number of suppliers - Small size of most of the suppliers - Moderate level of variation in each suppliers products and services 	<ul style="list-style-type: none"> - Large number of competitors - Much diversity among competitors - High industry concentration - High industry growth - Low barriers to exit 	<ul style="list-style-type: none"> - Large number of domestic customers - Small size of customers' orders - Small or no difference between competitors - Buyers information availability is relatively low - Low level of switching cost 	<ul style="list-style-type: none"> - High number of substitute product available - Buyers have high propensity to substitute - Relatively low price of substitutes - Availability of superior quality substitutes - Switching cost is relatively low

Source: Fieldwork outcome

1.2 Tourism Attractions and Facilities in Bangladesh

Bangladesh is a land of natural beauty where nature adores with unique beauty at different times (Parveen, 2013). The country is blessed with two of the world's splendid nature based tourism attractions namely, Cox's Bazar - the longest sea beach of the world and Sundarbans - the largest mangrove forest of the world. The Sundarbans in Bangladesh is also recognized as a world heritage site by UNESCO in 1997. There are two more world heritage sites presented in the country such as Historic Mosque City of Bagerhat and Ruins of Buddhist Bihara at Paharpur. Along with unique natural beauty the country has a rich cultural heritage too. For

instance, the mass procession of Bengali New Year celebration festival is recognized as an intangible cultural heritage by UNESCO. Table 1 lists some major tourism attraction of Bangladesh. All these represents as the key component for attracting and motivating tourists to travel in this land of unspoiled natural beauty.

Table 1: Category of Major Tourism Attractions of Bangladesh

Category	Tourism Attractions
Beaches and Islands	Cox's Bazar sea beach, Kuakata sea beach, Potenga sea beach, Saint Martins island, Nihjum Dip, Parki sea beach, Kotkasea beach
Hills and waterfalls	Bandarban hill tracts, Nilgiri, Nilachal, Chimbuk hills, Keokradong, Tazing Dong, Khagrachari hill tracts, Shuvolong waterfall, Madhobkundu waterfall, Hum Hum waterfall
Forests	Sundarbans, Ratargul swamp forest, Lawachara rain forest, Madhupur and Bhawal National Park
Rivers and wetlands	Padma, Meghna, Jamuna, HakalukiHaor, TangurarHaor, Kaptai Lake, Boga Lake
Religious sites	Sixty Dome Mosque, Star Mosque, HazratShahjalalMazar,Golden Temple, Kantoajew Temple, Dhakeshwari Temple
Archaeological sites	Lalbagh Fort, Panam City, Shat Gambhuj Mosque, Curzon Hall, SomapuraMahavihara, Mahasthangarh
Historical places	JatiyoSangshadBhaban, SuhrawardyUdyan, Aporajeo Bangla, AhshanMonjil, Central ShahidMinar, JatioSmritiSoudho
Culture and heritage	Fairs and festivals, Rural Life, Tradition and Rituals

Source: Hafsa (2020) and Islam (2020)

In order to provide a memorable and unforgettable experience to tourists a wide range of tourism service providers delivering their prime services associated with accommodation,

transportation, tour operation, restaurant service throughout the country. These service ranges from high end tourism products or services (e.g. five star hotel, luxury cottage, premium transportation service, fine dining restaurant, large shopping malls) to small businesses providing quality services (e.g. tour operators, travel agents, hotels, resorts, restaurants, handicraft and souvenir shops etc.). However, among them small scale tourism business constitute the larger segment. To assist tourists with necessary information several tourists information centers are present in significant tourism sites of the country. In addition, the Government authorities in each tourist site are playing significant role in ensuring proper safety and security of tourists.

In spite of having many beautiful attractions in various tourism sites of Bangladesh, the country has not been able to attract expected number of tourists. Several multifaceted problems are responsible for this undesired situation such as inadequate roads and infrastructural development at various tourism sites, lack of necessary facilities for tourists, insufficient promotional activities, security issues at tourism sites, and small number of skilled and professional tourism service providers. According to the World Economic Forum (2019), Bangladesh ranks 109th position among 140 nations at government prioritization of travel and tourism index (See Table 2). However the report also lists some other disappointing indicators for travel and tourism sector of Bangladesh.

Table 2: List of Disappointing Indicators for Bangladesh

Index Component	Rank
Government prioritization of travel and tourism	109
Effectiveness of marketing and branding to attract tourists	128
Sustainability of travel and tourism industry development	121
Natural tourism digital demand	112
Quality of roads	111
Quality of air transport infrastructure	115
Airport density airports/million pop	138
Hotel room number/100 pop	140

Source: WEF (2019)

1.3 Contribution of Tourism to the National Economy

Tourism is considered to be one of the most prospective industries for Bangladesh. This industry is growing rapidly around the world and being valued for its massive contribution to the global economy. In recent years this dynamic industry has started to contribute substantially to the economy of Bangladesh. According to WTTC (2021), in 2020 travel and tourism has contributed BDT 539.6 billion to national economy of Bangladesh which is about 1.7% of total GDP. Figure 9 demonstrates a small picture of growing contribution of travel and tourism to national economy where it is showing that for past fifteen years contribution of travel and tourism sector to GDP has been increasing in every year. As Bangladesh has enormous potential to develop the tourism industry so by utilizing the tourism resources properly this can be one of the most dominating industries of Bangladesh.

Figure 9: Total Contribution of Travel and Tourism to GDP of Bangladesh

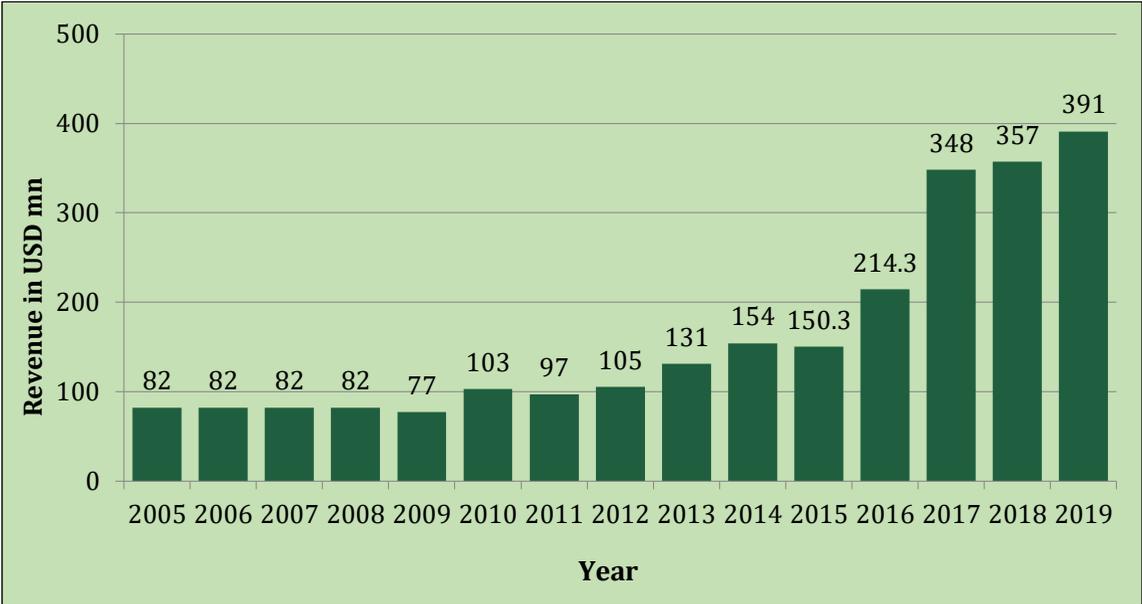


Source: The World Bank (2021)

Bangladesh is a developing country and striving vigorously to achieve expected economic growth. The country has been able to see good signs in its efforts as it has achieved GDP growth rate of more than 6% on an average for last decade. Tourism is a growing sector in the economy of Bangladesh. It boosts socio-economic development through generating significant revenue, diversifying economy, creating linkage between different economic sectors and generating employment. According to Choice for Economic and Investment Research (CEIC)

(2021), the revenues achieved from tourism sector in Bangladesh has increased from USD 82 million in 2005 to USD 392 million in 2019 (See Figure 10). The figure indicates that revenues earned from the tourism sector are increasing year by year. Although travel and tourism sector of Bangladesh doesn't contribute much to the national GDP compared to other sectors but it is likely to emerge as an important tool for the economic development of the country soon.

Figure 10: Revenue from Tourism 2005-2019



Source: CEIC (2021a)

Another significant contribution of travel and tourism to the economy of Bangladesh is through international tourism receipts. Bangladesh being a developing country can't afford to allocate considerable amount for tourism sector as the country strive to allocate significant amount to other necessary sectors like education, medical, communication, rural development etc. Hence the earnings from tourism sector are indispensable for developing and supporting tourism industry of Bangladesh. In last decade Bangladesh has seen sustained growth in international tourism receipts. Figure 11 depicts international tourism receipts for past ten years in Bangladesh. It is also depicting that for past few years amount of receipts has increased from UDS 103 million in 2010 to USD 391million in 2019. According to WTTC

(2021) in 2020 international visitor spending was BDT 12.2 billion which is about 0.3% of total export and domestic visitor spending was BDT 453.8 billion.

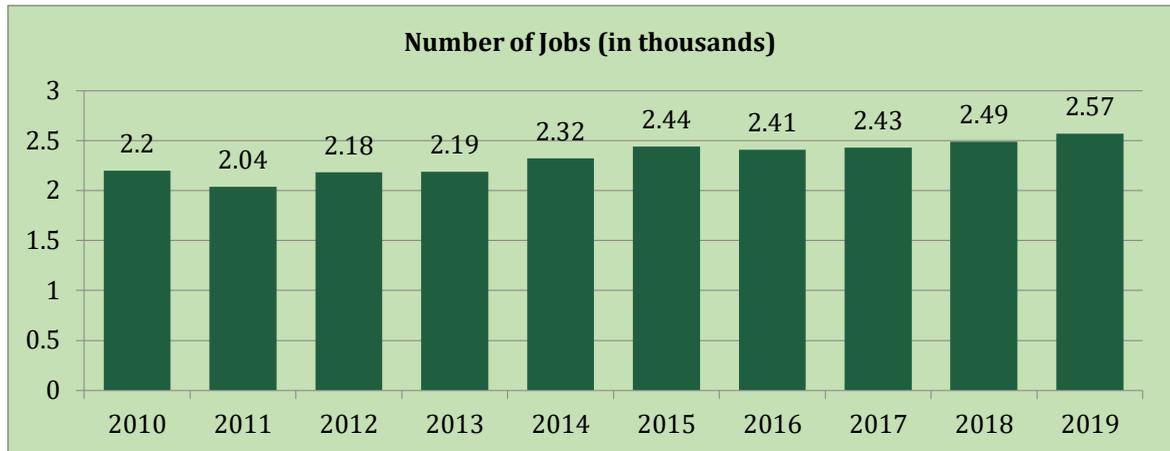
Figure 11: International Tourism Receipts of Bangladesh



Source: CEIC (2021b)

The most noticeable impact of travel and tourism in the economy of Bangladesh is that it creates enormous job which is decreasing steadily in other sectors with the advancement of technology. In other industries especially in manufacturing industries due to the technological innovations many employees are laid off. But in tourism industry the services are much more labor oriented thus the industry retains and values its skilled and professional employees as well. The number of jobs in travel and tourism sector of Bangladesh has been increasing steadily. Figure 12 shows number of jobs created every year in travel and tourism sector has increased from 2200 in 2010 to 2570 in 2019. In 2020 travel tourism sector created 1452 jobs in Bangladesh which is about 2.3% of total number of job created in the year (WTTC, 2021). Moreover, small businesses in tourism sector create numerous jobs opportunities which in turn helps in reducing unemployment problem to a large extent as well as stimulate economic development of the country.

Figure 12: Contribution of Tourism to Employment (Thousands of Jobs)



Source: The World Bank Group (2021)

1.4 Scenarios of International Tourism in Bangladesh

Bangladesh has come across slow and steady growth in tourism sector. In order to enrich the travel and tourism sector of the country a number of efforts are being made by government agencies as well as non-government agencies associated with this sector through various initiatives. Consequently, Bangladesh has been able to see an increasing number of visitors for past few years and an impressive growth in visitor arrival in 2019 (CEIC, 2021). Though the growth in tourism sector is taking place in a slower pace than in other countries but it is expected that if the prospects of travel and tourism sector of the country is utilized properly it can be one of the most popular destinations in South Asia.

Tourism is becoming a significant sector of the economy of Bangladesh. In recent years, the number of international tourist arrival has increased considerably. According to the World Bank (2021), the number of international tourist arrival in Bangladesh has increased from 1,99,000 in 2000 to 3,23,000 in 2019 (See Figure 13). Along with increasing number of tourist arrivals their spending towards tourism activities has also increased. For instance in 2020 leisure spending was USD 4781.6 million constituting 88% of total spending and business spending was USD 674.6 million constituting 12% of total spending (WTTC, 2021). Such amounts represent the constant growth of tourism industry of Bangladesh.

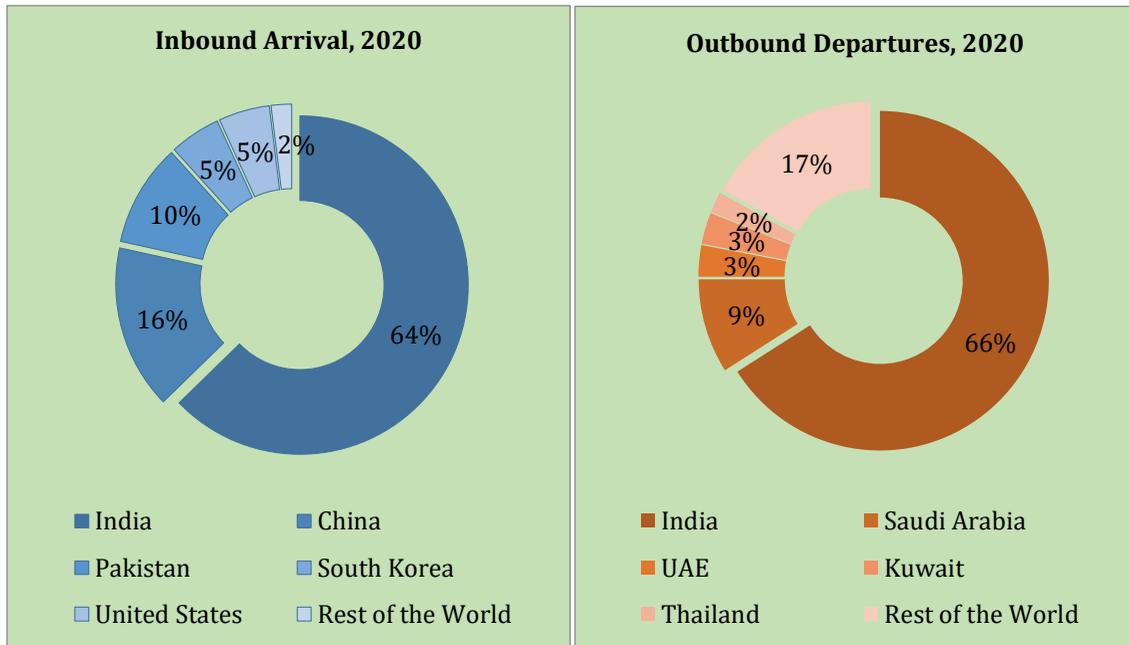
Figure 13: International Tourist Arrival (in thousands) in Bangladesh



Source: The World Bank(2021)

Tourism attractions are the key motivators for stimulating tourism activities in a destination. Bangladesh has a wide variety of tourism attractions scattered around the country which has been the key driver of domestic tourism growth and about 10 million people travel inside the country every year to enjoy those tourism attractions (Global Times, 2020). Moreover, the number of outbound tourism is growing rapidly. Around two million people of Bangladesh travel to other countries every year with various purposes such as medical, business, leisure, visiting friends and family, religious, and education (Ahmed, 2020). Ease of visa policies in other countries are considered to one of a significant reason for growing outbound tourism. Whereas in Bangladesh complex visa policies is deemed to be one of a major reason for impeding inbound tourism. Figure 14 is showing top five countries from where Bangladesh got the most tourists and most popular destinations among Bangladeshi people.

Figure 14: Inbound and Outbound Tourism Scenario of Bangladesh



Source: WTTC (2021)

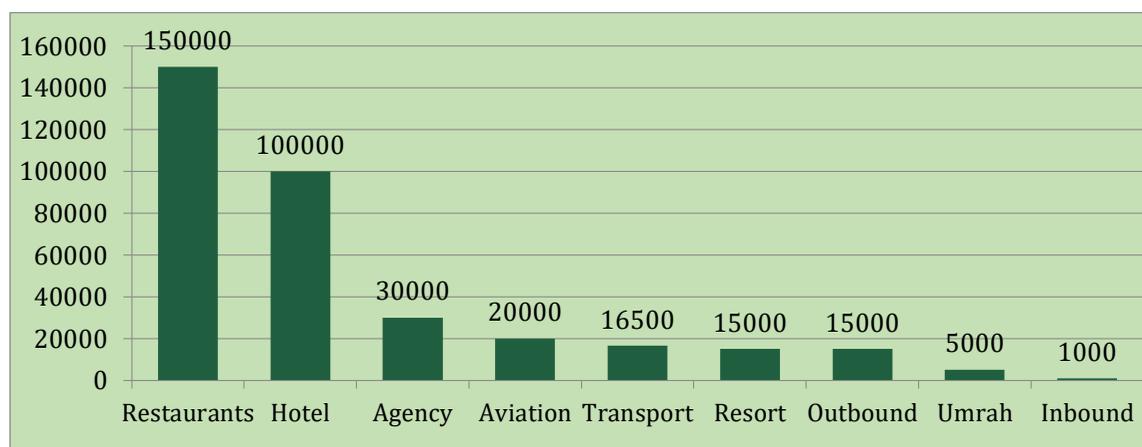
1.5 Distorted Tourism Sector Due to COVID-19

Tourism industry of Bangladesh was growing steadily throughout the country with a significant contribution to the national economy. The sudden hit of COVID-19 pandemic has severely affected this sector of Bangladesh. The whole tourism industry was at a halt (Deb & Nafi, 2020). According to UNWTO (2020) prediction, Bangladesh has faced a loss of about BDT 40 billion (USD 470 million) in travel and tourism. Most of the different small business sub sectors of this industry including hotel, restaurants, tour operators, travel agencies, transport etc. were severely affected. Tour Operators Association of Bangladesh (TOAB) has estimated the loss of up to BDT 60 billion and 70% of the total 3.0 million workers in this sector lost their jobs (Financial Express, 2020). More than two-thirds of the employees at different lodging facilities have been laid off in those months (Munni and Uddin, 2020).

Tourism sector creates a large number employment throughout the country in Bangladesh. Around 4 million people are directly or indirectly associated with this sector for their earning in Bangladesh. Due to the pandemic a large number of people have seen many difficulties in their day to day operation. The Pacific Asia Travel Association's (PATA) Bangladesh Chapter

has estimated that around 0.3 million people may lose their job in this sector and their further projections are presented in Figure 15. Survival of these sub-sectors has become quite tough because of the pandemic. The figure shows that the highest numbers of employees working in restaurant have lost their jobs and then the second highest numbers of jobs has lost from hotel industry.

Figure15: Estimated Number of Jobs at Risks in Tourism



Source: PATA Bangladesh Chapter (2020)

COVID-19 has been one of the most impactful crises, Bangladesh along with the whole world has ever seen. However, travel and tourism industry of Bangladesh has faced the hardest hit due to the ongoing global pandemic COVID-19. According to the recent report by WTTC provides useful insights into the losses occurred in tourism sector of Bangladesh due to COVID-19 which is shown in Table 3. The report says contribution of travel and tourism sector to national GDP has decreased by 32% compared to previous year. The number of jobs created in this sector also decreased by 21.9% (WTTC, 2021). The international and domestic visitor spending decreased too by 59.7% and 33.9% respectively. Such figure shows how much vulnerable impact the tourism industry of Bangladesh has faced due to the outbreak of COVID-19 pandemic.

Table 3: Impact of COVID-19 on Tourism Industry of Bangladesh

2019	2020	
Total Contribution of Travel and Tourism to GDP		
2.7% of total economy	1.7% of total economy	-32%
Total T&T GDP = BDT804.5BN	Total T&T GDP = BDT539.6BN	
Total Contribution of Travel and Tourism to Employment		
1859.4 jobs	1452.3 jobs	-21.9%
(2.9 % of total employment)	(2.3 % of total employment)	
Visitor Impact (International)		
BDT 30.3 billion	BDT 12.2 billion	-59.7%
Visitor spend	Visitor spend	
0.8% of total exports (USD354.5MN)	0.3% of total exports (USD142.9MN)	
Visitor Impact (Domestic)		
BDT 668.5 billion	BDT 453.8 billion	-33.9%
Visitor spend	Visitor spend	
USD 8,038.3MN)	(USD 5,313.3MN)	

Source: WTTC (2021)

TOAB also reported that the tour operators of Bangladesh suffered much among other small business sub-sectors and lost BDT 57 million. Moreover, it is estimated that over 1,000 tour operators and travel agencies around the country have laid off approximately 8000 employees. This situation may create a long-term negative impact both in society as well as in the industry. These tour operators are the main suppliers of customer. It has been reported that a few numbers of travel agents and tour operators have laid down their business due to Corona impact. Closure of these entities might hamper the tourism sector tremendously in near future. Thus, it is needed to take immediate actions to mitigate the effects of COVID-19 on Tour operators. This study may contribute to draw the pathways to mitigate the effects and may create a new era in new normal.

2. Gathering and Analyzing Data

In order to address the objectives of the research project, a range of methodological steps were followed. After identifying the project's demand, the necessary literature was reviewed to define the data requirements of the project. To identify the variables for questionnaires, instruments utilized in other studies were reviewed. The instruments utilized in the research were examined properly before conducting fieldwork.

The total sample size for the survey was 542. Among the total sample, 305 was collected from tour operators (the key stakeholder group of the research interest of the project). The necessary sample size in case of tour operators was 273, assuming a 90% confidence level, .5 standard deviation, and a margin of error (confidence interval) of +/- 5%. This research adopted 305 respondents from the tour operators – the core stakeholder categories – instead of the number 273 in the sample from the target population so that the estimate would be within +/- 0.05 of the true parameter with 90% probability. The rest of the 237 sample units (other than tour operators) were collected from travel agencies, small restaurants, small hotels and resorts, transportations, handicrafts and souvenir shops. To collect the sample units by utilizing purposive sampling technique the researchers have developed the criteria of respondents to be included in the sample based on their consulted judgments.

Besides, 50 semi-structured interviews were conducted from policy level and tourism support stakeholders. The stakeholders include policymakers, local administration, local authorities, experts, tourism leaders and mass media personnel. The reason for collecting data from the small tourism stakeholders, policy makers and experts is to determine the relative resilience of the tourism support services in relation to COVID-19 pandemic.

2.1 Description of the Survey

For collecting necessary data the survey was done among six categories of small tourism businesses in Bangladesh such as tour operators, travel agencies, small restaurants, small hotels and resorts, transportations, and handicraft & souvenir shops. Five regions of Bangladesh namely Dhaka, Chattogram, Khulna and Sundarbans region, Sylhet, and Cox's Bazar were selected as the fieldwork locations. These regions play a significant role in stimulating travel and tourism activities throughout the country. The sample size for each category of small tourism business from each fieldwork location is defined in Table 4. Among all the categories of small tourism businesses, tour operators constitutes the largest portion of

sample size (56.3%) as they are the key stakeholder group of this research. Moreover, a total of 308 responses were collected from Dhaka region which is 56.8% of total responses as Dhaka is the hub of many small tourism businesses.

Table 4: Respondents' Categories and Fieldwork Locations

Respondents' Categories for Survey	Fieldwork Locations and Number of Respondents					Total
	Dhaka	Chattogram	Khulna	Sylhet	Cox's Bazar	
Tour operators	191 (35.2%)	24 (4.4%)	25 (4.6%)	13 (2.4%)	52 (9.6%)	305 (56.3%)
Travel agencies	16 (3%)	4 (0.7%)	2 (0.4%)	19 (3.5%)	6 (1.1%)	47 (8.7%)
Small restaurants	30 (5.5%)	7 (1.3%)	1 (0.2%)	7 (1.3%)	11 (2.0%)	56 (10.3%)
Small hotel and resorts	30 (5.5%)	0 (0.0%)	0 (0.0%)	6 (1.1%)	6 (1.1%)	42 (7.7%)
Transportations	20 (3.7%)	6 (1.1%)	6 (1.1%)	5 (0.9%)	6 (1.1%)	43 (7.9%)
Handicraft & Souvenir shops	21 (3.9%)	6 (1.1%)	9 (1.7%)	7 (1.3%)	6 (1.1%)	49 (9.0%)
Total	308 (56.8%)	47 (8.7%)	43 (7.9%)	57 (10.5%)	87 (16.1%)	542 (100%)

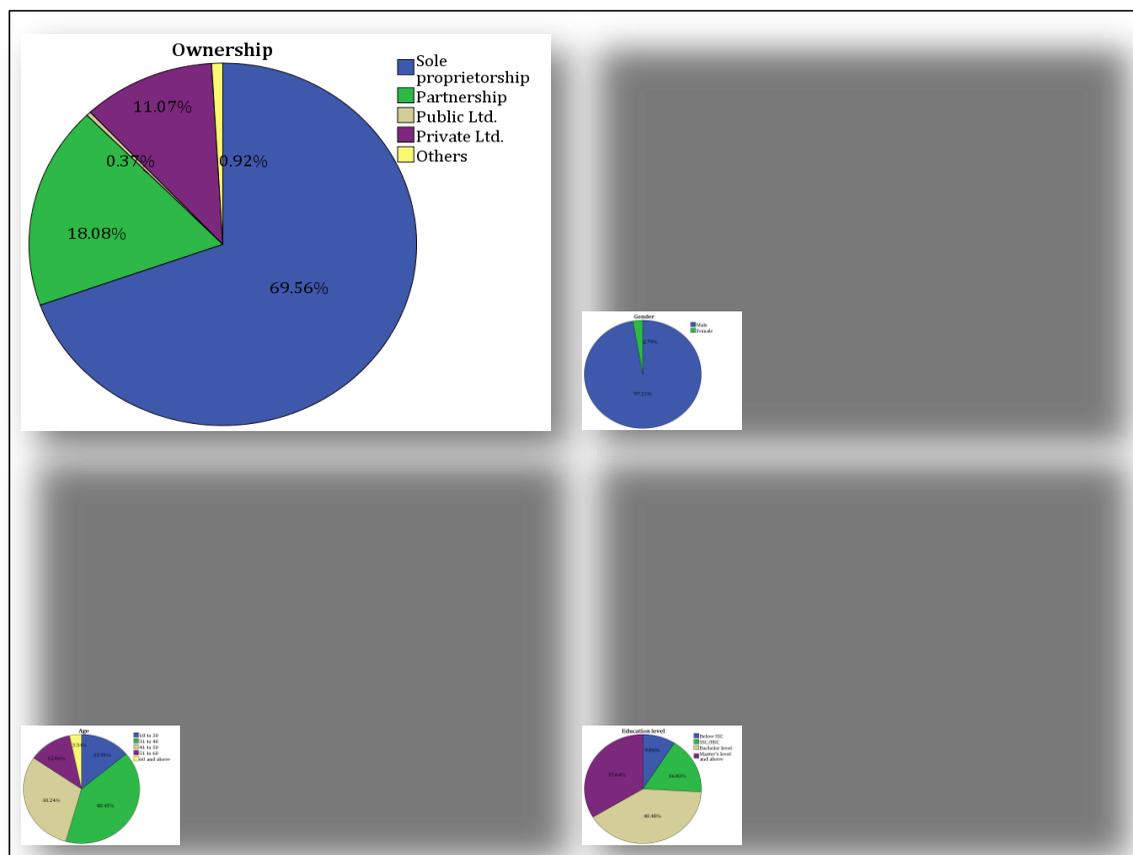
Source: Fieldwork Outcome

Figure 16 shows data about demographic profile of the survey respondents. Looking firstly at the ownership structure of the respondents it is clear that most of the small tourism businesses operated in Bangladesh are sole proprietorship (69.6%) and only a small number of business are operated under partnership (18.8%) and private limited company (11.7%). Small tourism businesses operating under public limited company and other structures are scarcely found in Bangladesh. Another attribute of the respondents shown in the figure reflects that this sector is fully dominated by men (97.2%) and participation of women (2.8%) in this sector is relatively low compared to men.

In case of age, people ranging from 31 to 50 years are mostly (approximately 70%) involved in small tourism business. Besides considerable number of young (13.9%) between the age of 18-30 and senior (12.06%) between the ages of 51-60 are also associated in this sector but people

with an age above 60 are found lowest in amount (3.34%). By looking at the education level of the respondents, it is evident that most of the small tourism business owners (74.12%) are highly educated having graduation and post-graduation degree and only a small number of owners (25.88%) has an education level of HSC/SSC or below SSC.

Figure 16: Demographic Profile of the Survey Respondents

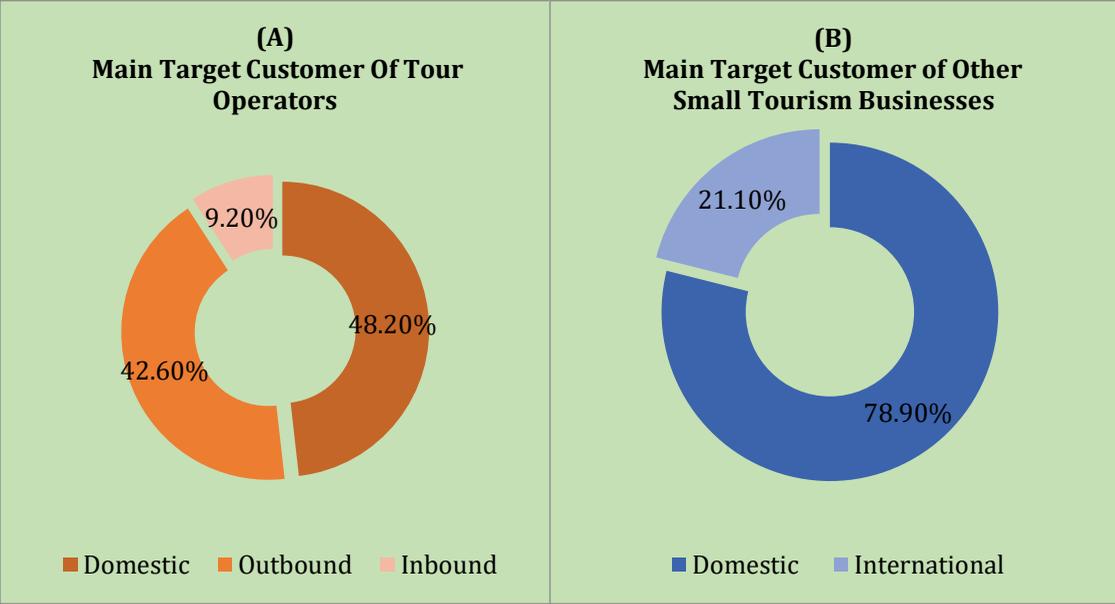


Source: Fieldwork Outcome

In recent years along with higher purchasing power, the demand for travel and tourism activities have increased among the people of Bangladesh. Figure 17 shows main target customer of tour operators and other small tourism businesses where it is reflecting that maximum numbers (48.20%) of tour operators mainly targets domestic tourists and only a few (9.2%) concentrates on inbound tourism. Additionally, substantial number of (42.60%) tour operators concentrates on outbound tourism too. Underlying reason behind this is that it is very difficult for tourists to arrange any tour outside of Bangladesh by themselves without the assistance of tour operators. In terms of other small tourism businesses except tour

operators domestic tourists is the main target customers of approximately 79% businesses and international tourist is main target customer of about 21% businesses.

Figure 17: Main Target Customer of Tour Operators and Other Small Tourism Businesses



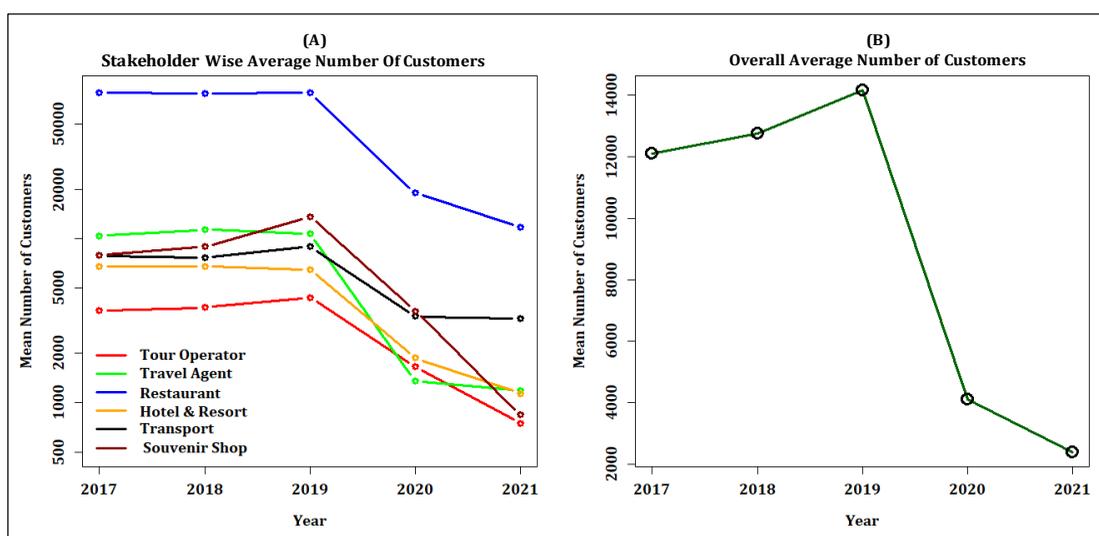
Source: Fieldwork Outcome

2.2 Declined Tourism Demand in Bangladesh due to COVID-19

Small tourism businesses in Bangladesh have been going through a tough time due to the pandemic which is evident from their revenue losses, decreased customer demand and reduced employees. Figure 18 shows average number of customers served by core small tourism businesses in Bangladesh from 2017 to 2021. The first portion of the figure, 18 (A) shows stakeholder wise average number of customers of small tourism businesses distinctively. It reflects that the average number of customers for tour operators, transportations and handicraft and souvenir shops increased from the year 2017 to 2019, while the average for all other categories of small tourism businesses were quite stable during that period. However, all of them have seen a great fall in the average number of customers after the year 2019.

Figure 18 (B) shows the mean number of customers of all categories of small tourism businesses together. It depicts that the small tourism businesses were growing rapidly throughout the country with an average number of customers around 12,100 in 2017, 12750 in 2018, and 14,150 in 2019. But all of a sudden the amount falls drastically to about 4,100 in 2020 and 2,400 in 2021. This unexpected fall in number of customers happened due to the outbreak of COVID-19 pandemic. In an effort to prevent the transmission of COVID-19, a number of approaches have been utilized (e.g. lockdown, travel restrictions) which induced this great fall in tourism demand in Bangladesh.

Figure 18: Mean Number of Customers of Small Tourism Business (2017-2021)



Source: Fieldwork Outcome

Table 5 shows the impact of COVID-19 on customer demand. It provides data about how much the number of customers has decreased in different categories of small tourism businesses in 2021 (up to June) compared to 2019. It is evident from the table that among all the categories of small tourism businesses, handicraft and souvenir shops have faced the most devastating impact of the pandemic as they have seen approximately 94% decline in the number of customers followed by travel agencies 89%, small restaurants 84.9%, tour operators 82.9%, small hotels and resorts 82.4%, and transportations 63.8%.

Table 5: Impact of COVID-19 on Small Tourism Business

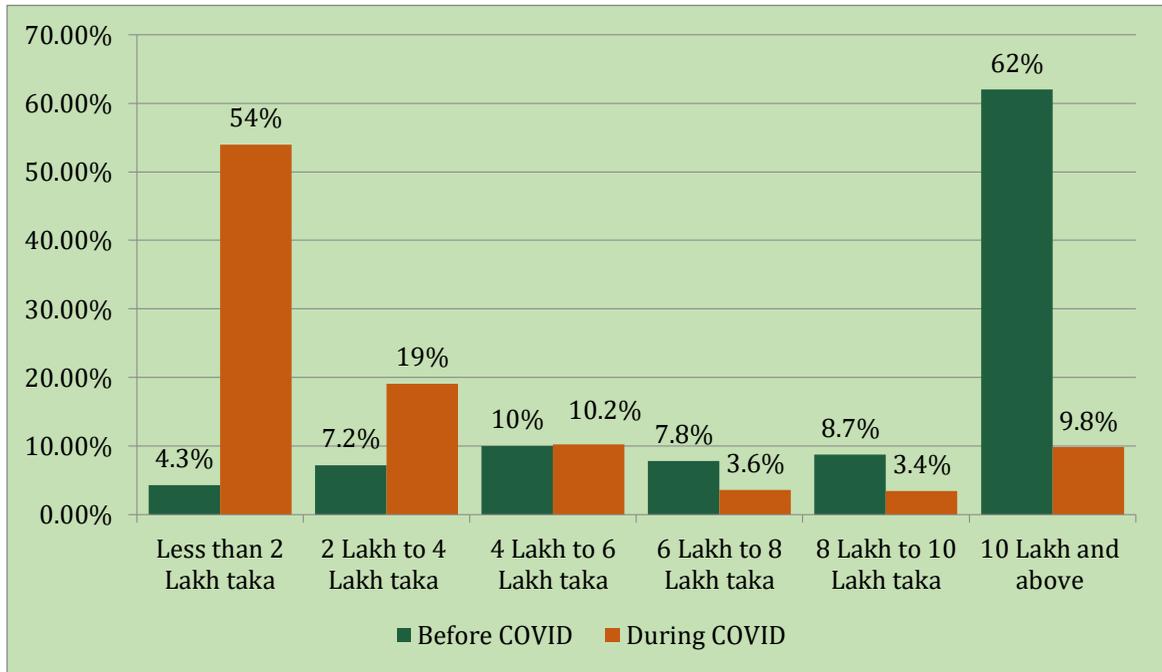
Small Tourism Businesses	Average No. of Customers in 2019	Average No. of Customers in 2021 (up to June)	Decrease Rate
Tour operators	4,361	747	-82.9%
Travel agencies	10,689	1,180	-89.0%
Small restaurants	77,602	11,691	-84.9%
Small hotels and resorts	6,460	1,136	-82.4%
Transportations	8,948	3,242	-63.8%
Handicraft & souvenir shops	13,606	839	-93.8%

Source: Fieldwork Outcome

2.3 Financial Loss of Small Tourism Business due to the Pandemic

The ongoing global pandemic has severely affected the small tourism businesses in Bangladesh. They have seen huge loss of revenue in their businesses due to the pandemic. Figure 19 provides insight into the amount of average annual revenue generated by small tourism businesses before the COVID-19 pandemic and during the pandemic. Before the pandemic 62% small tourism businesses had annual revenue of ten lakh taka (i.e. hundred thousand BDT) or above. During the pandemic an opposite scenario is being observed, where the number declined to 9.8% tourism business. On the other hand before COVID-19, only 4.3% small tourism businesses had annual revenue of less than two lakh taka which rose to 54% during the pandemic. In addition to before COVID-19, 33.7% small tourism businesses had annual revenue between two to ten lakh taka which rose by a small number to 36%. The scenario presented in the figure indicates the extent to which small tourism businesses have suffered due to the pandemic.

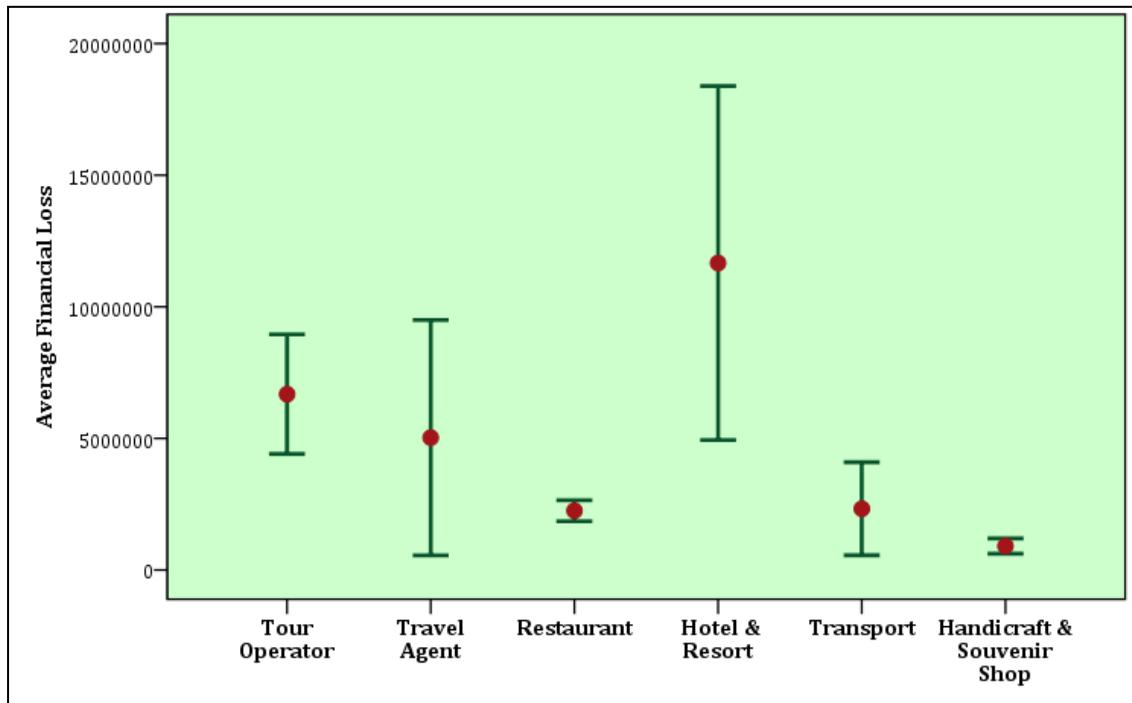
Figure 19: Amount of Average Annual Revenue before and during COVID-19



Source: Fieldwork Outcome

In Figure 20 the error bar chart of the average financial loss of different stakeholders due to COVID-19 are displayed. The red circles at the middle indicate the mean loss and the green lines indicate the 95% confidence interval of the mean which is interpreted as, if we were to sample the population several times and construct 95% confidence interval for each sample, then approximately 95% of the intervals will contain the true mean loss. It is apparent from the figure that, Hotel and resorts have experienced the greatest loss due to COVID-19. The average financial loss per hotel or resorts is about 1 crore according to the sample we drawn and we are 95% confident that the true average loss per hotel and restaurant is between 50 lakh to 1.8 crore taka. The second worst sufferer is the tour operator, the average loss per tour operator is near 67 lakh in the sample. From the confidence interval of the tour operator, we can say that, the true average loss per tour operator will be between 40 lakh to 90 lakh. The average loss for travel agent and transport are near 50 lakh and 23 lakh respectively. Though restaurant and souvenir shop have experienced less loss compared to other categories, their average financial loss are not negligible which are near 22 lakh and 90 thousand respectively.

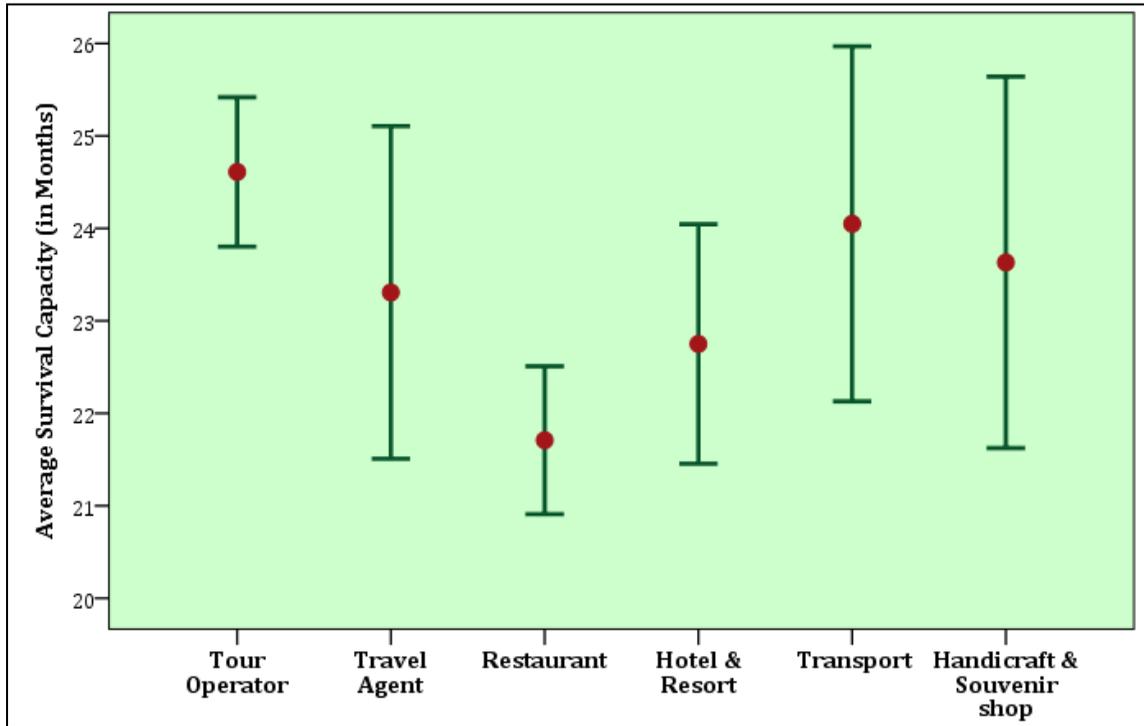
Figure 20: Average Financial Loss of Different Small Tourism Business during COVID-19 in Bangladesh



Source: Fieldwork Outcome

In figure 21, the mean survivals in months along with the 95% confidence intervals of the mean for different stakeholders with COVID-19 are displayed. It is apparent that the mean survivals do not vary much for different stakeholders. The highest mean survival is recorded for tour operator which is around 24.5 months and we are 95% confident that the true mean survival of them is between 23.5 months to 25.5 months. On the other hand, the lowest mean survival is noticed for small restaurant which is near 21.5 months and it can be said with 95% confident that the true survival is between 20.5 months to 22.5 months.

Figure 21: Average Survival Capacity of Different Small Tourism Business with COVID-19 Pandemic in Bangladesh



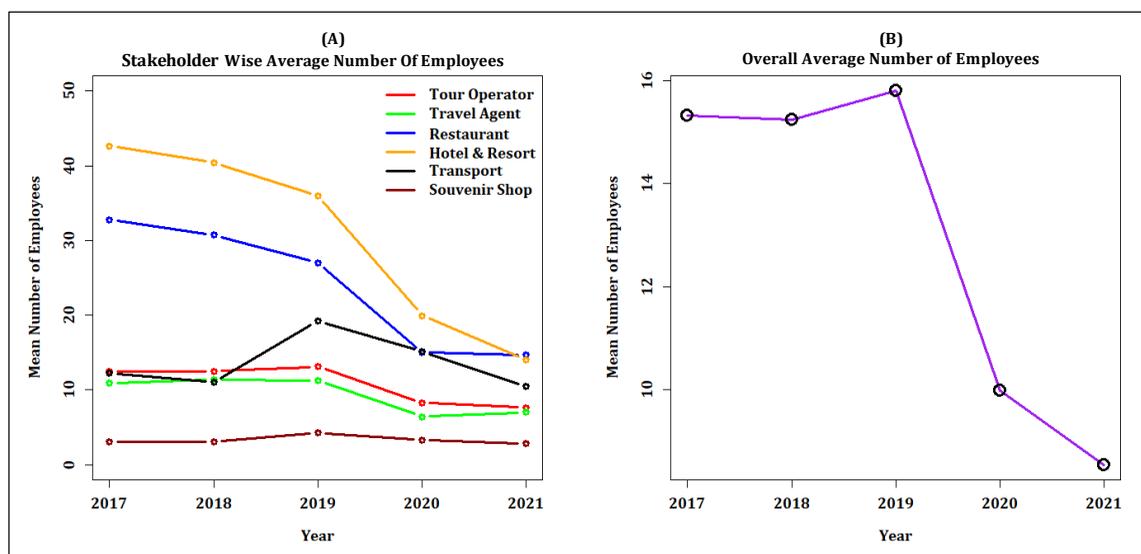
Source: Fieldwork Outcome

2.4 COVID-19 and Employment Scenario of Small Tourism Business

In order to cut the cost and afloat the business, substantial number of employees has been laid off from many small tourism businesses. Figure 22 shows average number of employees associated with core small tourism businesses in Bangladesh from 2017 to 2021. The first portion of the figure 22 (A) shows the average number of employees for different categories of small tourism businesses distinctively. In case of tour operators, travel agencies and handicraft and souvenir shops, the average number of employees was growing steadily for the period 2017 to 2019. In the same time, the average number of employees in transportation have experienced a sharp growth between the years 2018 and 2019. In small hotels & resorts and restaurants, the number of employees was decreasing slowly from the year 2017 to 2018. Nonetheless, after the outbreak of COVID-19 pandemic in 2020, a rapid fall is being noticed for all the categories. In terms of tour operators and travel agencies the number of employee's remained quite stable before the pandemic from 2017 to 2019 and started falling after the

outbreak the pandemic but again get stable during the pandemic period from 2020-2021. However, in transportations the number of employees was roughly stable for the whole period.

Figure 22: Average Employees of Small Tourism Businesses in Bangladesh (2017-2021)



Source: Fieldwork Outcome

Second portion of the figure 22 (B) shows the mean number of employees of all categories of small tourism businesses altogether. The figure reflects that due to the COVID-19 pandemic the number of employees associated in this sector have reduced noticeably. In 2019, on an average around 15 employees were employed in each small tourism business but the amount fall to only 8 employees in 2021. As a result, a large number of people associated with this sector are jobless. Among all the categories of small tourism business, small hotels and resorts have lost 61.1% (the highest number of employees) followed by handicraft and souvenir shops 50%, transportations 47.4%, small restaurants 44.4%, tour operators 38.4%, and travel agencies 36.4% (See table 6).

Table 6: Impact of COVID-19 on Employment of Small Tourism Business

Small Tourism Businesses	Average No. of Employees in 2019	Average No. of Employees in 2021 (up to June)	Decrease Rate
Tour operators	13	8	-38.4%
Travel agencies	11	7	-36.4%
Small restaurants	27	15	-44.4%
Small hotels and resorts	36	14	-61.1%
Transportations	19	10	-47.4%
Handicraft & souvenir shops	4	2	-50%

Source: Fieldwork Outcome

2.5 Survival Strategies of Small Tourism Businesses

Small tourism businesses have seen the most vulnerable economic downfall in their business due to the ongoing global pandemic COVID-19 and no one even knows when these scenarios will come to an end. As a result many small tourism businesses had no choice in hand without coping up with the current situation. Table 7 lists such major strategies along with the rate of those strategies being applied by several small tourism businesses to cope up with the crisis. The impacts of the pandemic were so severe that more than 73% small businesses were forced to temporarily shut down their business whereas about 27% small businesses continued their business. The office which was once used to be the center of business, turned into a burden for many small tourism businesses as approximately 61% small businesses was unable to pay the office rents; often they partially paid the office rents. On the other hand, approximately 16% small businesses decided to discharge the office but a large proportion (84%) of small businesses decided to keep with the office.

Employees associated in the small tourism businesses are the worst sufferer as 72.3% small tourism businesses have laid off their employees and only 27.7% continued without laying off the employees. However, there were many (approximately 69%) small tourism businesses that couldn't pay the salary and bonus to the employees regularly but a considerable number (77.7%) of businesses were able to pay the employees gradually, the rest of 22.3% small

businesses kept employees with no salary. To cut the cost and afloat the business, another popular strategy utilized by numerous (48.3%) small tourism businesses was withdrawing promotional activities but majority (51.7%) of the businesses didn't considered it as a good technique and thus they avoid applying this strategy. However, the degree and frequency of promotional activities were considerably decreased during the COVID-19 period.

The amount of losses in the small tourism businesses was so high that about 15% people had left this business and involved in another business but maximum (85%) people continued the business as they hoped to see good time soon. Since the cost of running business during COVID-19 situation was much higher than the normal times, more than 25% small tourism businesses took loan from family members, relatives, friends, and banks to continue the business but approximately 75% people didn't take loans. Apart from these strategies listed in table 7, some small tourism businesses used other techniques to cope with the crisis such as maintaining good relationship with customers and suppliers, making presence in online and other social media platforms, and cutting the cost effectively. Another popular strategy utilized by some small tourism businesses was revising their business model like those who used to concentrate mostly on international tourism; during the COVID-19 situation, they concentrate on domestic tourism.

Table 7: Techniques Applied by Small Tourism Businesses for COVID-19 Crisis

No.	Cope up Strategies for COVID-19 Crisis	Applied (%)	Not applied (%)
1.	Temporary shut down	73.2%	26.8%
2.	Office discharged	15.8%	84.2%
3.	Employees laid off	72.3%	27.7%
4.	Office rent was not paid or partially paid	60.9%	39.1%
5.	Employee salary/bonus not paid regularly	68.9%	31.1%
6.	Withdrawn of promotional activities	48.3%	51.7%
7.	Employees with no salary	22.3%	77.7%
8.	Taking loans	25.2%	74.8%
9.	Involved in other businesses	15.0%	85.0%
10.	Others	13.3%	86.7%

Source: Fieldwork Outcome

2.6 Small Tourism Business and Government Support

Since the outbreak of COVID-19 pandemic, Bangladesh Government has been helping small businesses through various ways such as providing financial help, initiating new guidelines for operating businesses during pandemic situation, and arranging training & workshops. As part of financial help, Bangladesh Government has announced some incentive packages such as financial cash incentive (e.g. grants), loan in minimal interest rate (e.g. motivational packages), social safety net program (e.g. food security) for the small businesses of different economic sector of the country including tourism. Moreover, the Bangladesh Bank, the central bank of Bangladesh, has declared a new stimulus package worth BDT 10,000 million by mid-2021 specifically for tourism businesses.

Table 8 provides data about how many people have received Government financial help and incentive package. The table depicts that 34% small tourism businesses tried for Government incentive package but only 10.2% received Government financial help and 23.8% businesses didn't receive Government financial help despite trying the incentive package. On the other hand, 66% small tourism businesses didn't tried Government incentive package as a result they didn't get any financial help from Government. Many small business were not aware of the incentive packages offered by Government in response to the COVID-19 pandemic. In a nut shell, only about 10.2% small tourism businesses received Government financial help and remaining 89.8% businesses didn't get any financial help from the Government.

Table 8: Rate of Received Govt. Support

Government incentive package	Govt. financial help		Total
	Received Govt. financial help	Didn't received Govt. financial help	
Tried Govt. incentive package	10.2%	23.8%	34%
Didn't tried Govt. incentive package	0.0%	66.0%	66%
Total	10.2%	89.8%	100%

Source: Fieldwork Outcome

Bangladesh Government has offered a number of non-monetary supports to the small tourism businesses. Table 9 represents the rate of receiving such non-monetary support by core small tourism businesses. The table shows that majority (57.9%) of the small tourism businesses didn't receive any non-monetary support and among those who received support didn't get adequate in amount. Among all the businesses tour operators received considerable support compared to others, for instance, 18% tour operators received training & workshop, 5.3% received advice and guidelines, 1.5% received relationship management related support and rest of the 1.1% received collaboration and digital marketing related support. In case of small restaurants, they received minimum level of support almost in all areas (given in table 9) except relationship management. In terms of other stakeholders, travel agents received training & workshop (1.8%), advice & guidelines (1.1%) and relationship management related support (0.4%) and small hotel & resorts received training & workshop (0.9%) along with advice and guidelines (2.4%). Meanwhile, transportations and handicraft & souvenir shops received lowest level of support from the Government.

Table 9: Non-monetary Supports from the Government

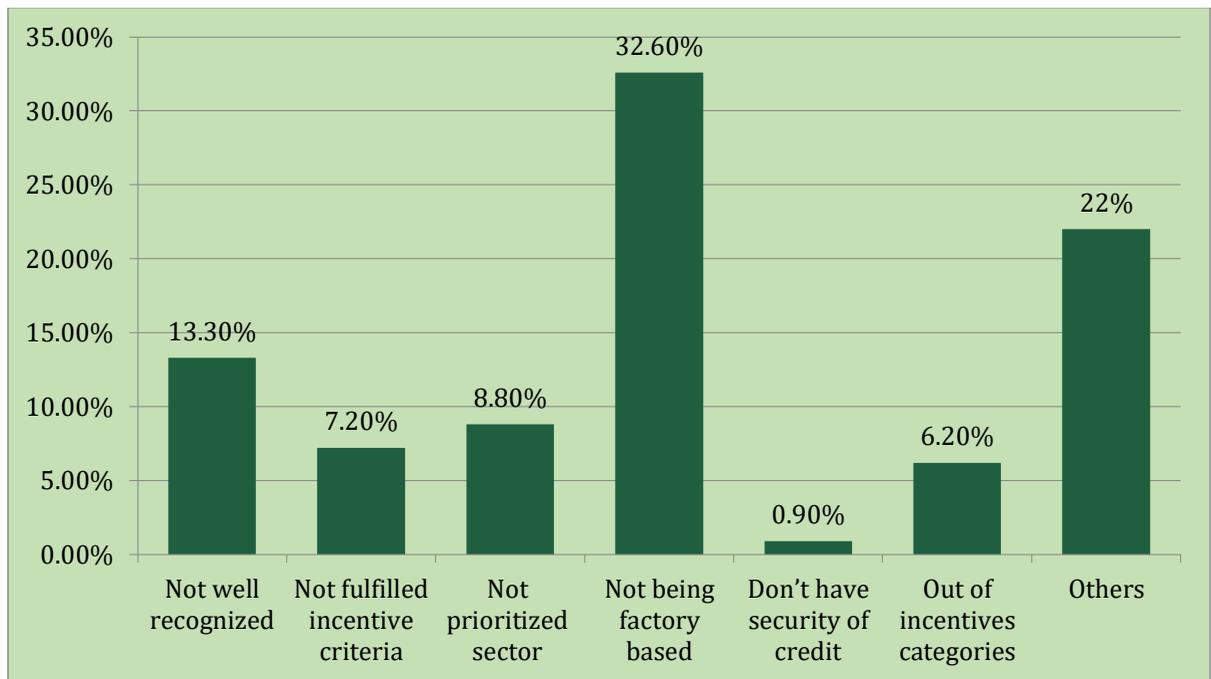
Supports	Type of Organizations						Total
	Tour Operator	Travel Agent	Small Restaurant	Small Hotel & Resort	Transportation	Handicraft & Souvenir Shop	
Training & workshop	18%	1.8%	0.7%	0.9%	0.0%	0.0%	21.3%
Advice & guidelines	5.3%	1.1%	6.4%	2.4%	0.4%	0.0%	15.6%
Relationship management	1.5%	0.4%	0%	0%	0%	0%	15.6%
Collaboration	0.2%	0.0%	0.4%	0.0%	0.2%	0.0%	0.9%
Digital marketing	0.9%	0.0%	1.1%	0.0%	0.0%	0.4%	2.4%
No support received	31.1%	3.1%	3.5%	5.0%	7.5%	7.7%	57.9%
Total	57%	6.4%	12.1%	8.3%	8.1%	8.1%	100%

Source: Fieldwork Outcome

Figure 23 shows the reasons for what most of the small businesses didn't get financial incentives. The figure is developed based on the perception of the small tourism business stakeholders regarding why they did not get Government financial incentives or bank loans. More than 13% people believe that their organization is not well-recognized to the Government agencies/banks thus they didn't get the Governments financial incentives. 7.2% people consider that their business could not fulfill the criteria to get the financial benefit/loan such as inadequate papers related to the ownership of the business, tax returns, maintaining accounting details of the small businesses as a result they didn't get financial incentives. 8.8% small businesses think that the Government and/or banks suspect that there would be no demand for the products and services of small tourism businesses, so the Government and/or banks are not interested to provide small tourism businesses with incentives.

The most accepted reason for not getting the financial incentives is that tourism businesses is not factory based. Approximately 33% people believe that the Government and/or banks are focusing on factory-based SMEs and they often neglect tourism business. Factory based organizations are quite different from tourism organizations. Factory based organizations production processes including the products are visible meaning they have physical inventory thus based on these criteria banks or other financial institutions provide loan to them. On the other hand, tourism is an invisible trade. Most of the tourism businesses don't have physical products to sell and sometimes they don't have any office to operate their business. As a result they get less priority in acquiring any financial incentive provided by Government agencies and banks.

Figure 23: Reasons for Not Getting Financial Incentives or Loans



Source: Fieldwork Outcome

Some (0.9%) small tourism businesses didn't get financial incentive due to lack of collateral. Though such businesses too have faced the vulnerability of pandemic but they do not have enough asset/guarantee as security of credit to apply for bank loan/incentive. Substantial number of tourism businesses didn't get financial incentive because their business didn't fall under the category of incentives (e.g. manufacturing firms or any other firms which meet basic requirements whereas the demand of tourism is discretionary nature) hence they were out of government incentive categories. However, there were some other significant reasons for which small tourism businesses didn't get financial incentive such as bank have a negative perception regarding the ability of tourism businesses to return the money back as they are not factory based firms, they can change their office location at any time and they have high risk in the business. Another reason is that there are no strong pressure group exists for small tourism businesses to negotiate with the government and therefore they don't get necessary help from government or other institutions.

3. Making Decisions and Recommendations

Small tourism business including tour operators need assistance and capacity building support due to dealing with new normal situation developed for COVID-19 pandemic. Decisions and recommendations for rejuvenating small tourism business in Bangladesh are developed based on empirical findings presented in Table 10. Small tourism businesses in Bangladesh were severely suffering from negative impacts of COVID-19 mainly because of repeated national and international lockdown and border restrictions. As a result, they lost their loyal customers and employees. They were unable to pay salary to their employees and rent of the office. Unfortunately, this is not the end, small tourism businesses are anticipating several challenges and sufferings to come in the future if the COVID-19 situation remains the same or does not improve soon. However, the tourism business people have made several resilience strategies – short to long term – to cope up with the situation or to survive and sustain.

Based on need assessment, an intervention matrix with action plans has been proposed (Table 13). The need assessment explores some key needs that small tourism enterprises in Bangladesh require in order to survive now and sustain in the long run. Some needs should be met immediately while some needs can be fulfilled in short, medium or long term. Government, commercial banks, NGOs and foreign donors can come forward to meet these needs identified by the stakeholders. Many small tourism entrepreneurs have mentioned a time period that they can survive for under the COVID-19 situation – beyond which it will be difficult for them to survive in the business. Some of the most important aspects of this study are discussed in this section including the challenges tour operators and other small tourism enterprises faced in operating their businesses during the COVID-19 pandemic, negative impacts they suspect will occur in their businesses in the future as a result of COVID-19, their future plan, and what they need to overcome their business situation.

3.1 Challenges for Small Tourism Business during COVID-19 in Bangladesh

The COVID-19 pandemic has had a number of negative consequences for all sorts of tourism businesses as all tourism activities were prohibited throughout the outbreak. Tour operators and other small tourism business enterprises have experienced a number of challenges and problems while operating their businesses during the COVID-19 pandemic. All tour companies suffered significant financial losses mainly because of the lack of clients, the closure of borders, and the cancellation of flights. Other challenges are listed down in the table 10.

Table 10: Constraints for Small Tourism Businesses during COVID-19

No.	Challenges	Nature of impacts for stakeholders					
		TO	TA	SR	LH&R	LT	H&SS
1.	Repeated Nation-wide lockdown	XXX	XXX	XX	XX	XX	XX
2.	Flights, borders, and tourist areas were all shut down	XXX	XXX	XX	XX	XX	XX
3.	International travel restrictions and border closure	XXX	XXX	X	XX	X	X
4.	Unable to pay salary to the employees	XXX	XXX	XXX	XXX	XXX	XXX
5.	Many customers were lost	XXX	XXX	XX	XX	XX	XX
6.	The cost of tourism products (supplies) had increased	XX	XX	XXX	XX	XX	XX
7.	All of the bookings had to be refunded	XXX	XXX	X	XX	X	X
8.	Unable to provide proper service to customers	XX	XX	XXX	XXX	XXX	X
9.	Could not afford to pay the office rent	XXX	XXX	XXX	XXX	XXX	XXX
10.	There was zero cashflow	XXX	XXX	XX	XXX	XX	XX
11.	Trainees and employees were laid off	XXX	XXX	XXX	XXX	XXX	XXX
12.	Adaptation with new policies developed by airlines	XXX	XXX	X	X	X	X
13.	Loss of operational capitals	XXX	XXX	XXX	XXX	XXX	XXX
14.	Investment in online operation was compromised	XXX	XXX	X	XX	X	X
15.	Health risk of all associated stakeholders	XXX	XXX	XXX	XXX	XXX	XXX
16.	No face-to-face communication with stakeholders	XXX	XXX	XXX	XXX	XXX	XXX
17.	Clients were frightened about travelling	XXX	XXX	XXX	XXX	XXX	XXX
18.	Employees were unable to report to work	XXX	XXX	XXX	XXX	XXX	XXX

Interpretations: TO: Tour Operators; TA: Travel Agencies; SR: Small Restaurants; LH&R: Small Hotels and Resorts; LT: Local Transports; and H&SS: Handicraft and Souvenir Shops
Note: XXX: major challenge; XX: moderate level challenge; and X: minor challenge

Source: Fieldwork Outcome

The majority of tour operators reported that the most challenging part of their business was to deal with the repeated lockdowns at the national level. In Bangladesh, lockdown has been enforced and extended several times since March 2020. Due to the lockdown, tourism ventures had to shut their operations, bookings were cancelled, advance payments were refunded to clients, there were no new customers, and tourist destinations were closed. During the COVID-19 period, all tourism businesses dropped to a point where some tour operators had no clients at all.

Other major obstacles mainly faced by tour operators and travel agents include the suspension of flights, the closure of borders, and the closure of tourist destinations – home and abroad. Inbound and outbound tour operators were unable to operate due to the suspension of flights and the closure of borders. They had no reservations at all. They were unable to conduct any trips within or outside of Bangladesh. Due to the shutdown of travel destinations, domestic tour operators were unable to organize any tours. Other small tourism ventures including hotel, resort, restaurant, local transports and souvenir shop also faced challenges because of these international border restrictions.

Another major challenge was difficulties in operation because of the layoff of employees and trainees. Because of the financial crisis, a number of tourism enterprise had to lay off their employees. As a result, there was a pressure on existing employees to play the roles of employees who were laid off or permanently terminated. For example, in restaurants, one cleaner had to do the tasks of two cleaners.

The cost of tourism products and supplies, for example raw materials for restaurants and handicraft shops, increased significantly as transportation costs increased in the lockdown situation. Moreover, even with high price often it was not guaranteed that the supplies would arrive on time and on a regular basis. As a result, the operation was uncertain over the period of COVID-19 pandemic time.

Many bookings and reservations for air ticket, tour package and hotel rooms were cancelled during the COVID-19 pandemic situation. Many travel agencies were facing problems in refunding money to their clients as airlines were unable to refund for the tickets. As a result, the long-term relationship with clients was severely damaged and many loyal customers were lost. At the same time, it was not possible to provide proper services to customers online

because no physical or face to face communication was allowed. Moreover, many services were unavailable because of lockdown.

As there were no customers, the revenue was almost zero for many tourism enterprises. As a result, many small tourism businesses lost their operational capital. Consequently, majority of tourism ventures surveyed were not able to pay office rent. Many tourism businesses paid partial amount of the rent, while many other enterprises left the office. Online promotional activities were compromised in many cases of tourism business as it was the least important sector to spend on during COVID-19.

Key stakeholders, mainly employees and customers, were at high risk of getting infected with corona virus. Employees were the most vulnerable group because of possible exposure to the virus on premise and in transports. Many employees were unable to report to work because of their fear for the disease. Customers were also afraid of exposure to the virus in the office. Expenditure on surgical disposable head caps, hand sanitizer, mask, thermometer, soap and other cleaning equipment and solutions increased the overall operational cost.

Many tourism ventures were unable to handle the challenges and were forced to close their businesses. They have lost interest in returning to the tourism industry, which has been severely harmed by any disasters.

3.2 Future Impacts of COVID-19 on Small Tourism Businesses in Bangladesh

The pandemic has already damaged the tourism industry in the last one and a half year. Since the beginning of the pandemic, tourism has been closed. It will be difficult for tour operators and other small tourism businesses to survive in the industry if this situation continues and tourism does not fully recover. They will need a long time to recover from their loss. The majority of small business operators believe they will not be able to survive the pandemic in six months if the present situation persists. As they have experienced so many challenges and there are still so many restrictions on tourism that they are unable to operate their businesses, they are concerned that COVID-19 will have more and severe negative impacts on their industry in days to come. Table 11 compiles a number of anticipated negative impacts under five broad issues including financial, human resources, business management, policy and customer related.

Table 11: Concerns of Small Tourism Businesses about the Consequences of COVID-19

No.	Major future concerns	Anticipated negative impacts
1.	Financial crisis	<ul style="list-style-type: none"> - Bankruptcy - Will be more financially vulnerable/harmed - The cost of tourism products will rise - Will have an impact on cash flow
2.	Human resource related issues	<ul style="list-style-type: none"> - Will lose highly skilled employees - Finding new skilled employees will be difficult - The employee's workflow/productivity will not be the same as before
3.	Business management problem	<ul style="list-style-type: none"> - Shutdown of business(Business can be permanently closed) - Switching to other business - New setup and management for reopening - Work will take longer than usual to complete - Tourism, both inbound and outbound, may take longer than expected to recover - The growth of the company will be more challenging than before
4.	Policy related affaires	<ul style="list-style-type: none"> - New rules and regulations for tourism business - Reopening requirements: vaccine, rules and equipment. - Fear of lockdown again and again
5.	Customer related	<ul style="list-style-type: none"> - Will lose clients and sales - Traveling overseas will be uncomfortable for many customers/clients - Traveling will not be as easy as it was in the pre-COVID-19 time for customers/clients - Customers' purchasing habits will be altered - There could be a financial crisis among prospective customers - Customers' trust can be compromised

Source: Fieldwork Outcome

Most small tourism enterprises are operating at a loss. They do not have any sales or revenue, but they must pay their employees, office rent, trade license fees, utility bills, and other expenses. Their expenses have now surpassed their revenues. Their funds would be squandered. Again, the cost of tourism products will rise. They took out bank loans since they needed to pay for all of their necessities despite absolutely no sales. Now, they are afraid that

in future they may not survive even after taking more bank loans if they cannot earn from their business. It was predicted by many that if this trend continues, they may face bankruptcy.

Employees are the key of success for every organization especially in tourism industries perfect skilled employee will give the best success and customer retention. This crisis may lead to even more reduction of the workforce in the future if the demand does not increase as expected. Skilled employees are one of the most important key assets of any organization, particularly for tour operators, travel agents and restaurant sectors. Developing a good chef in a restaurant or a ticket reservation staff in a travel agency takes times. Losing such skilled and experienced employees because of financial crisis would lead the business to more vulnerability.

The majority of the tour operators and other tourism business enterprises are concerned that COVID-19 may force them to close their business permanently. They are unable to conduct business because flights, borders, and tourist destinations are closed. They do not have any transaction and money-making mechanism is totally halted for more than a year now. They have already suffered a significant loss. If this situation continues, they will be unable to survive and will have to close their business permanently. Many tourism business entrepreneurs are concerned that they may need to switch to other businesses than tourism in order to earn bread and butter. Those, who want reopen their tourism businesses when situation becomes normal, are afraid that it may require a lot of money and effort to restart a new set up after one and a half year of no operation. Many new furniture and equipment may require to be replaced, new employees may need to be recruited, new customers would be needed – all of that may pose new challenges.

Again, in future, new and strict rules and regulations can be imposed by the government in order to combat with the virus. These new rules and regulations may always not be in favor of the small tourism enterprises. For instance, travel agents are afraid that the airlines may reduce the commission in new-normal situation. Also, the government may keep the strict regulations about social distancing and limited working hour for restaurants and other service sectors. Also, they are afraid that even after starting the operation again how long they would be able to keep operation uninterrupted. From their experience in the last one and a half year they have seen that lockdown was imposed in an on and off basis in several times. So, tourism service providers are concerned that even if they restart operating tourism, there is no guarantee how long they can continue depending on the COVID-19 situation.

Another main concern of the majority of the small tourism enterprises is about not being able to retain the loyal customers. As there are no tourism activities for the last one and a half years, many loyal customers are not in contact anymore. It is very likely that many of these loyal customers will not return even the situation is normalized in future. At the same time, it will be very difficult for tourism businesses to handle customers properly in the future, for instance, in restaurants some customers do not follow the social distancing and other safety rules properly. In cases of tour operators and travel agency businesses, many clients would grow new habit, particularly about health issues. In general, it will not be as easy to deal with customers as it was in the pre-COVID-19 times.

3.3 Revitalization Strategies of Small Tourism Business

To overcome the downfall as a result of the COVID-19 pandemic, many tourism businesses have devised some recovery plan at organization level. Table 12 depicts the recovery plan of small tourism business at individual organization level. Their principal goal is to stay afloat in the sector. The majority of the tourism business owners are determined to continue to run their company and work in the tourism industry. Many of them have stated that they have been in the industry for a long time and are adamant about not closing or disbanding their company since they love it. They strongly believe that people will surely resume traveling once the tourism industry has completely recovered. They are hopeful and want to continue at any cost until they can recoup their losses.

The primary plan of tour operators is to survive in the industry anyhow. They want to operate their business and stay in the tourism industry. In order to survive in the lockdown situation many small tourism businesses are mainly focusing on short- and medium-term loan. They are trying to take loans mainly from commercial banks, friends and relatives. Some tourism entrepreneurs are still trying for one-off allowance or grants from the government. Some tourism ventures are searching for new investors so that the business can survive now and grow in the future with the additional capital.

As many tourism businesses laid off or terminated employees, in new-normal situation they are planning to recruit employees again when there will more pressure if business starts running again. In that case, they will prefer their former employees who were laid off. However, they will need to ensure that all employees are vaccinated. Re-education and

training may be required as operating tourism business will not be the same as it was before in pre-COVID-19 time.

Table 12: Recovery Plan of Small Tourism Businesses

No.	Areas	Recovery strategies
1.	Financial stability	<ul style="list-style-type: none"> - Loan - Allowances/ grants - Search for new investors - Provide additional capital into the business - Recover the funds that the company had lent to others - Look for government assistance
2.	Human resource management	<ul style="list-style-type: none"> - Recruiting new employees - Vaccination of all employees - Re-education and training
3.	Business management	<ul style="list-style-type: none"> - Focusing on online/digital platform - Reviving the tourism business functions - Relationship management with suppliers - Identifying new opportunities and scopes for tourism businesses - Seeking out new international relationships for better B2B sales - Increasing profitability by lowering internal costs - Redesigning packages to increase sales - Concentrating on corporate/medical tourism - Focusing on OTA (Online Travel Agency) - Reducing the size of the business
4.	Tourist/customer management	<ul style="list-style-type: none"> - Secure new customer base (locally and internationally) - Customized digital marketing - Launching new promotional campaigns
5.	Promotional management	<ul style="list-style-type: none"> - Boosting up promotional activities - Customizing marketing strategy

Source: Fieldwork Outcome

To survive and sustain under the current situation small tourism businesses are focusing on changing or adjusting to their business model. As physical communication is discouraged, they are trying to move to an online platform. Online business operation has been a key and common strategy among tourism businesses. At the same time, online or digital platform would bring a new horizon of opportunities to access new markets. Accessing new markets

would require them to redesign their tourism products and services. However, on top of all these strategies regarding business management the main target is to minimize operating cost in order to survive under COVID-19 pandemic.

Small tourism businesses have lost a large number of customers as a result of the pandemic. They even lost some of their frequent customers. It will be difficult for them to reclaim those clients. So, they intend to increase their promotional activities in order to attract more customers in the future. They will be able to reach more people, which will result in more clients. To attract clients, they want to establish online platforms, websites, and other promotional channels.

3.4 Requirements for Recovery and Action

Almost all small tourism enterprises have mentioned that they are doing tourism businesses as they have emotional attachment with the business (i.e. they love the business). They are experienced in the industry, and tourism runs in their veins. Many tour operators stated that no matter what happens, they do not want to close their businesses. As a result, they have made plans for the future to overcome the situation and remain in the tourism industry as discussed in the previous section and in the table12. However, a number of key needs were identified that required to be fulfilled in order to survive tourism businesses in the pandemic situation. Based on what they need most to stay afloat in the tourism industry, keep their business operating, and recover from the pandemic's losses, the following table 13 has been presented. The key needs were ranked based on the priority as identified by the small tourism businesses surveyed in the study. The key needs mentioned by more respondents were ranked higher.

The majority of the tourism enterprise demanded for immediate withdrawal of lockdown. Many of them mentioned explicitly that they do not need any other assistance from any party, but the withdrawal of the lockdown. If the lockdown is withdrawn and the tourism activities restart, they will be able to revive their business sooner or later.

Tour companies are looking for a loan with the lowest possible interest rate. The high interest rate on the loan makes it harder for them to pay it back. Even though some tour operators meet the conditions for the loan, they refuse to apply for loan because they are experiencing a drop in sales and revenue and it will be difficult to pay back. As a result, a loan with a low

interest rate (or no interest) will encourage them to apply for it and assist them in recovering from their loss.

Table 13: Need Assessment for Small Tourism Businesses and Action Plans for Recovery

No.	Key needs	Reasons for the needs	Facilitating organizations	Timeframe
1.	Withdrawal of lockdown	1) To keep the business operating 2) To offer tourism industry a chance	Government	Immediate
2.	Loan	1) To invest more in the business 2) To maintain cash flow 3) To pay the office rent 4) To pay the salaries	Government, Banks	Short to long term
3.	Allowance/grant	1) To overcome operational loss 2) To survive in the industry 3) To pay salaries	Government	Short to medium term
4.	VAT& Tax exemption	1) To cut down the liabilities 2) To reduce operating costs	Government	Long term
5.	Education, training and Workshops	1) To educate tour operators about the new normal situation 2) Training on new tourism SOP/guidelines 3) To keep employees motivated 4) To provide mental health support	Ministry of Civil Aviation and Tourism, Relevant tourism organizations (e.g. NTO, Universities) and associations	Short to medium term
6.	Trade license fee exemption	1) To overcome financial loss	Government	Medium term
7.	Tourism association's membership fee exemption	1) To overcome financial loss by saving the membership fees	Tourism organizations and industry associations	Medium term
8.	Movement pass for the tourist destinations	1) To avoid mass gathering in the tourist destinations 2) To ensure the safety of people's health 3) To keep the business running	Foreign Government	Immediate
9.	Vaccination for all	1) To protect employees 2) To ensure the health safety of the customers 3) To normalize the business environment	Government	Immediate

Source: Fieldwork Outcome

Many tourism entrepreneurs require an allowance or grant, apart from provision to bank loan at a minimum interest rate, which they believe should be provided by the government. Some tour operators already have bank loans, while others were unable to meet the criteria for obtaining a loan. Many other entrepreneurs borrowed money from friends and relatives. Basically, they may already have loans, but now they require financial and other assistance in repaying their loans.

As tourism business operators are struggling financially and have a little revenue, it is difficult for them to pay for any added expenses. They are obligated to pay some fixed costs. Since they are losing money and the industry is now in jeopardy, they require government assistance to be exempt from VAT and taxes in order to survive. There are also some other fees, such as trade license fees and membership fees for tourism organizations. If these fees are waived, it will benefit small tourism business operators, as they have less sales and are incurring losses.

The tourism businesses including the rules and regulations and consumer behavior of customers will not be the same as it was in the pre-COVID-19 time. As a result, many tourism businesses would require changing business model and servicing standard. However, it is not always possible for all tourism ventures, particularly small-scale businesses, to innovate new business model and train up their staffs. They require proper training particularly on how to operate successful tourism businesses at post-COVID-19 period. Many small tourism businesses are trying to develop online operation, but they have lack in skill and experience in operating online operation. The government and other parties may provide with some especially designed training programs to small tourism ventures to cope up with the new situation post pandemic situation.

Health issues will be always a key factor in the future. Even after the lockdown is withdrawn, customers would not compromise their health risk due to exposure to Corona virus. The health of the employees will also be a crucial factor. Therefore, the government should take proper initiative for post-COVID-19 situation after the lockdown is withdrawn. One major action would be the provision of movement pass for the tourist destinations in order to control the number of maximum tourists. A tourism carrying capacity assessment, with especial focus on health risk due to COVID-19, can help determine the maximum number of tourists. Tourists only having a movement pass should be given access to a particular tourist spot.

Another key need was identified as the vaccination for all. When customers and employees are vaccinated, the business operation will be smooth given that they will still require maintaining social distancing and using hand sanitizers and other protection gears. Nation-wide vaccination would give public a sense of security and confidence that will lead to the actual normalization in the post-COVID-19 era. It is necessary for the government and other tourism organizations to address and meet these needs of small tourism businesses in order for them to sustain in the industry.

Conclusion

The ongoing global pandemic COVID-19 has a serious impact on the tourism sector of Bangladesh. The travel and tourism sector of Bangladesh was growing steadily with a substantial contribution to the economy. After the outbreak of the pandemic the sector has faced with most vulnerable effects. As mobility is the foundation of travel and tourism activities so there was a great fall in tourism demand due to the travel restrictions imposed by Government to minimize the transmission of diseases. Consequently the contribution of tourism sector to the national economy has reduced considerably. Besides, a large number of people associated with the sector have seen the most difficult time due to COVID-19, especially the operators of small businesses. The major small tourism businesses of Bangladesh, tour operators, travel agencies, small hotels and resorts, small restaurants, transportations, handicrafts and souvenir shops have seen the most dreadful impact of any crisis on their businesses.

The financial loss caused by the pandemic in different small tourism businesses is irreparable as they have lost huge revenue as well as profit from their businesses due to the pandemic. The number of customer in many small tourism businesses has decreased to the lowest level in the lifespan of the business. For some small tourism businesses it is quite difficult to recover from this great loss and for some others it will take much time to grow the business again. In the meantime, to cope up with the current condition small tourism businesses have utilized several strategies such as temporarily shutting down the business, discharging the office, laying off employees, withdrawing the promotional activities and taking loans. Though the government of Bangladesh has assisted the sector through offering a number of monetary and non-monetary incentives to the small businesses but only a few businesses could able to avail the benefits provided by the government.

The purpose of the study was to create the pathways for the tour operators and other small tourism business so that they may renascence in the post COVID-19 period. In order to serve the purpose of the study, current condition of tourism industry of Bangladesh was assessed in terms of the state of small tourism business, contribution of the tourism sector to national economy, availability of different tourism products and service throughout the country, and scenario of distorted tourism sector due to the pandemic. It was evident that small tourism businesses are the worst sufferer of the COVID-19 crisis. However, assessing the current condition of small tourism businesses due to the ongoing global pandemic has been one of the core concerns of the study. Hence, after gathering the data, necessary analysis was done to determine the needs of small tourism businesses and based on the needs a number of recommendations have been provided to rehabilitate the small tourism business.

The vulnerable impacts of the pandemic on small tourism businesses and their current needs presented in the study provide directions for policy makers and industry leaders to initiate effective policy which is well suited to the needs of small tourism businesses. Moreover, with a view to catering the needs of small tourism businesses and rejuvenating the industry again, the recommendations create routes for the stakeholders to implement the planned strategies in an effective way. In the meantime, necessary data for this study was collected during the pandemic situation hence there were some limitations in the data collection method. For instance, though a large number of people were surveyed to collect necessary data but many of them were reluctant to incorporate with face to face interview due to the risk of transmission of the virus. Thus online medium was used as a significant tool to collect required data. Nevertheless, face to face interactions with key stakeholders/respondents could provide more relevant and appreciable insight into the aspects.

Bangladesh is developing country where tourism sector is not well flourished but in the way to flourish as the country has immense potentiality to grow this sector. In this stage of growth, a severe hit by COVID-19 has shaken the foundation of tourism sector of the country that calls for immediate response to save the small businesses operated in the sector. In the current world, businesses are facing different crisis one after another ranging from health crisis like COVID-19 to natural crisis like climate change. Hence, the small tourism businesses must be proactive in terms of forecasting certain risk as well as formulating necessary crisis management strategies to minimize potential negative impacts. The resilience of the small tourism businesses needs to be assessed properly so that they can easily cope up with any

crisis and minimize the impact of the crisis from their business in a short period of time. By addressing the challenges faced by the small tourism businesses, the tourism sector of Bangladesh can achieve a dynamic growth in 'new normal' situation.

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Annex A

Rejuvenation of Small Tourism Businesses Affected by COVID-19 Survey Questionnaire

[The information will be used only for research purpose]

1. Name of organization:

2. Office location:

3. Year of establishment:

4. Ownership:

(i) Sole proprietorship	(ii) Partnership	(iii) Public Ltd.
(iv) Private Ltd.	(v) Other:	

5. Main target customers (only for tour operators):

(i) Domestic tourists	(ii) Outbound	(iii) Inbound
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Or, Main target customers (for the travel agencies, small restaurants, small hotels and resorts, transports, handicraft and souvenir shops):

(i) Domestic	(ii) International
--------------	--------------------

6. Average number of clients/tourists:

Before COVID-19 Pandemic			During COVID-19 Pandemic	
2017	2018	2019	2020	2021 (upto June)

7. Number of total employees:

Before COVID-19 Pandemic			During COVID-19 Pandemic	
2017	2018	2019	2020	2021 (upto June)

8. What did your business do to cope up with the COVID-19 crisis? (Please check all the options applicable to your case)

(i) Temporarily shut down the business	(ii) Office was discharged/closed
(iii) Some employees were laid off	(iv) Office rent was not paid or partially paid
(v) Salary/bonus was not paid regularly	(vi) Withdrawn all promotional activities
(vii) No salary to the employees	(viii) Taking loans
(ix) Doing other businesses	(x) Others:

9. Have you tried for the 'Incentive Package' announced by the Government during COVID-19 situation in 2020?

- (i) Yes (ii) No (if 'no' go to question number 12)

10. If, Yes, have you received any financial help from the Government?

- (i) Yes (ii) No (if 'no' go to question number 12)

11. What sort of Government incentive did you get?

- i. Financial cash incentive (e.g. grant)
- ii. Loan in minimal interest rate (e.g. *pronodona package*)
- iii. Social safety net program (e.g. food security)
- iv. Others:

12. What sort of non-governmental incentives did you receive?

- i. Financial cash incentive (grant)
- ii. Bank loan at minimal interest rate
- iii. Financial aid from tourism association
- iv. Others:
- v. No incentive received

13. Did you receive any of the following non-monetary supports from the government?

- i. Training/workshop
- ii. Advice/guidelines
- iii. Meeting opportunity with national and international counterparts
- iv. Market searching
- v. Collaboration
- vi. Digital marketing support
- vii. Others:

14. If you did not get any financial incentive/loan from the government/bank, what is the ONE main reason? (Please, tick the most relevant ONE).

- i. My organization is not well-recognized to the Government agencies/banks.
- ii. My organization could not fulfill the criteria to get the financial benefit/loan.
- iii. The government/banks suspect that there would be no demand for our services, so they are not interested to provide us with incentives.
- iv. The government/banks are focusing on factory-based SMEs - they often neglect tourism business.
- v. We do not have asset/guarantee as security of credit to apply for bank loan/incentive.
- vi. My business is out of the government incentive categories.
- vii. Others:

15. What is your average annual revenue/sales in normal years before COVID-19 (for example in 2019)?

(i) Less than 2 Lakh taka	(ii) 2 Lakh to 4 Lakh taka	(iii) 4 Lakh to 6 Lakh taka
(iv) 6 Lakh to 8 Lakh taka	(v) 8 Lakh to 10 Lakh taka	(vi) 10 Lakh and above

16. What was your average annual revenue/sales during COVID-19 period (in 2020)?

(i) Less than 2 Lakh taka	(ii) 2 Lakh to 4 Lakh taka	(iii) 4 Lakh to 6 Lakh taka
(iv) 6 Lakh to 8 Lakh taka	(v) 8 Lakh to 10 Lakh taka	(vi) 10 Lakh and above

17. What was your approximate financial loss during COVID-19 period (in Taka)?

.....

18. How long would you be able to survive your business with the pandemic from now (in months)?

.....

19. What are the greatest challenges you faced during COVID-19 pandemic situation in operating your BUSINESS:(please identify 2-3 major constraints)?

1.	
2.	
3.	

20. What more negative impacts you suspect may happen to your business in future due to COVID-19?

1.	
2.	
3.	

21. What is your future plan to overcome the COVID-19 caused downfall in your business?

1.	
2.	
3.	

22. What do you NEED to overcome this situation of your business? (Rank as per priority)

	What do you need	Why (criticality of the needs)	Who should provide that
1.	Loan		
2.	Allowance/grant		
3.	VAT & Tax exemption		
4.	Withdrawal of lockdown		
5.	Education/training/workshop		
6.	Other (please specify)		
7.	Others (please specify)		

23. Gender of the respondent: a) Male b) Female

24. Age:

i) 18 to 30	ii) 31 to 40	iii) 41 to 50	iv) 51 to 60	v) 60 and above
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25. Education level:

i) Below SSC	ii) SSC/HSC
iii) Bachelor level	iv) Master's level and above

Respondent's mobile phone number/business card:

THANK YOU FOR YOUR COOPERATION

.....

Interviewer's name, signature and date: