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ASSESSING THE IMPACT OF TOURISM FINANCE ON SUSTAINABLE ECONOMIC DEVELOPMENT IN BANGLADESH

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ABSTRACT

Tourism is essential to Bangladesh's economy; yet, its enduring contribution to sustainable development relies on the availability of financial resources, the formulation of suitable financing structures, and the incorporation of environmental, social, and governance factors. This study evaluates the impact of tourism financing on sustainable economic growth in Bangladesh. A qualitative documentary analysis was performed utilizing the analytical framework of the original climate finance study, examining scholarly publications, policy papers, and regulatory documents from 2018 to 2025. The literature review contextualizes tourism finance within global and regional discourses, emphasizing the unequal influence of tourism receipts on GDP growth in Bangladesh, the significance of environmental integrity, social equity, economic prosperity, and technological adaptation in sustainable tourism, as well as the critical role of green finance and renewable energy in defining the tourism–finance–environment relationship. Research reveals an increasing awareness of tourism finance in Bangladesh; nonetheless, the sector is hindered by a scarcity of financial instruments, insufficient disclosure norms, inadequate data, and rather modest funding flows. The analysis identifies opportunities in digital financial inclusion, public-private partnerships, green taxation, and microfinance for community-based tourism. To harness tourism's potential for sustainable economic development, governments must emphasize open public finance frameworks, targeted investment instruments, inclusive digital finance, and enhanced stakeholder participation. The study concludes by suggesting a research agenda for incorporating tourism finance into national sustainable development planning and providing recommendations for politicians, investors, and researchers.

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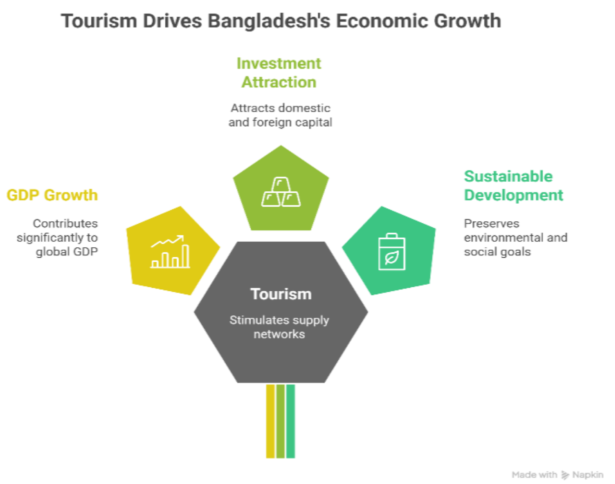
1 Introduction

Tourism ranks as one of the largest and most rapidly expanding industry globally, representing approximately 7% of international exports and providing employment for one in ten workers (World Tourism Organization, 2022). Tourism provides developing countries such as Bangladesh with prospects for economic diversification, foreign exchange revenue, and rural development. Bangladesh features distinctive attractions, including the world's longest natural sea beach at Cox's Bazar, the Sundarbans mangrove forest, old archaeological sites, and colorful cultural festivals. Nonetheless, the sector is still underdeveloped in relation to its potential, accounting for about 2.3% of gross domestic product in 2023 (World Tourism Organization, 2023). Deficiencies in infrastructure, inadequate marketing, and issues in policy execution have hindered expansion. Government initiatives like "Tourism Vision 2020" promote enhanced investment and sustainable practices; nonetheless, advancements have been limited.

Figure 1: Tourism Drives Bangladesh's Economic Growth



The economic impact of tourism worldwide beyond direct travel spending; the industry invigorates supply networks in agriculture, manufacturing, and services. The World Travel and Tourism Council reports that tourism's total contribution to global GDP surpassed 10% prior to the epidemic, highlighting its significance as a fundamental component of the global economy. Bangladesh, located at the intersection of South and Southeast Asia, aims to secure a greater portion of this market. The government has designated priority tourist circuits, including a Buddhist heritage circuit connecting historic monasteries and a Sundarbans circuit that fosters eco-tourism, and has pursued foreign investment via roadshows and promotional campaigns. Achieving these ambitions necessitates cohesive funding systems that can draw both domestic and foreign money while preserving environmental and social goals.

Tourism financing refers to the mobilisation and deployment of financial resources for tourism firms, destination infrastructure, conservation activities and community-oriented projects. In contrast to ordinary corporate finance, it must consider the sector's seasonality, significant capital intensity, and susceptibility to external shocks. Adequate financing is crucial for building hotels, transit networks, digital platforms and human resources. Historically, the sector in Bangladesh has depended on state funding, donor donations, and informal financing. The COVID-19 epidemic revealed structural vulnerabilities as overseas revenues plummeted, resulting in extensive layoffs and a reversal of poverty alleviation efforts. Robust funding channels are thus crucial to facilitate recovery, encourage innovation, and advance sustainability.

Sustainable tourism harmonizes economic development with social equity and environmental conservation. Research indicates that tourism can mitigate poverty, invigorate rural economies, and empower women when administered properly (Pulido Fernández, 2019). In contrast, unchecked expansion can deteriorate ecosystems, commercialize culture, and intensify inequality. Financial tools are crucial in directing tourism towards sustainable results by promoting low carbon investments, aiding community enterprises, and ensuring accountability through transparent reporting. Empirical research indicates that tourism receipts exert an unbalanced influence on Bangladesh's GDP growth: a 1% rise in receipts enhances growth by around 0.19%, while a 1% decrease diminishes growth by 0.66%. This disparity highlights the economy's susceptibility to recessions and the necessity for reliable finance sources. Research in several regions indicates that digital financial inclusion substantially enhances tourism development, while green finance and robust financial markets are essential for sustainable tourism. Notwithstanding these findings, there is scant study on the impact of finance strategies on sustainable development in Bangladesh. This report fills the gap by evaluating the current state of tourism finance, analyzing its effects on sustainable economic development, and offering policy recommendations. This study enhances the broader dialogue on sustainable development and provides insights for other rising economies facing analogous challenges. It emphasizes the necessity of harmonizing financial policies with environmental sustainability and social equity.

2 Literature Review

2.1 Evolution of Tourism Finance

The funding of tourism has transitioned from dependence on governmental budgets and donor assistance to a variety of instruments that include private investment, capital markets, and digital platforms. The initial development of tourism in Bangladesh relied on government funding for the construction of transportation infrastructure, accommodations, and marketing initiatives. Nevertheless, financial limitations and conflicting priorities restricted investment. Academics contend that the sector's intrinsic volatility—attributable to political, medical, and economic variations—necessitates creative financial frameworks. In numerous nations, the enhancement of financial markets and the emergence of green finance have facilitated the influx of private funding into sustainable tourism initiatives. Digital financial inclusion is becoming a transformative force; Fu et al. (2023) demonstrate that access to digital finance enhances tourism firms and consumer expenditure in Chinese cities. These changes indicate that tourist finance must use varied funding sources and technical advancements to accommodate increasing demand and endure disruptions.

2.2 Tourism Finance and Sustainable Development

Tourism finance impacts sustainable development by shaping the magnitude and orientation of expenditures in infrastructure, conservation, and community engagement. Khan et al. (2021) illustrate that tourism receipts exert an unbalanced influence on Bangladesh's GDP development, indicating the necessity for steady financing sources to mitigate downturns. Research in emerging nations indicates that enhancements in governance and transparency promote ecotourism; a 1% increase in the green governance index correlates with a 0.43% rise in ecotourism, while a 1% increase in globalization corresponds to a 0.32% increase in ecotourism (Shang et al., 2023; Zhang et al., 2022). Green finance is associated with elevated sustainability indices in Asia and Europe, indicating that incorporating environmental criteria in financial decisions might bolster resilience. In ASEAN economies, green financing and robust financial markets are the primary long-term determinants of sustainable tourism, whereas inflation and economic instability hinder investment. Moreover, digital financial inclusion promotes tourism growth by facilitating efficient payment systems and broadening access to credit. These findings highlight the interrelation among financial governance, macroeconomic stability, and sustainable tourism results.

2.3 Financing Instruments and Policy Tools

Researchers identify many instruments capable of mobilizing resources for sustainable tourism. Green bonds and sustainability-linked loans direct cash towards eco-resorts, renewable energy projects, and waste management facilities. Public-private partnerships (PPPs) distribute risks and utilize public resources to create hotels, amusement parks, and cultural heritage sites. Microfinance and impact investment bolster community-based tourist firms, empowering women and marginalized populations. Ortega Rodríguez et al. (2024) investigate green taxes and conclude that levies on tourism services can fund conservation and environmental restoration, provided there is effective communication and stakeholder involvement. The Quintessence Sustainable Tourism Public Finances concept promotes open budgeting, explicit performance metrics, and stakeholder

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engagement to synchronize public finance with sustainability. Digital platforms facilitate crowdfunding and peer-to-peer lending, whereas blockchain technology can improve transaction transparency and loyalty programs. These tools collectively demonstrate the variety of funding choices and the necessity to customize instruments to specific local settings.

Researchers underscore the revolutionary impact of digital banking in expanding financial availability and enhancing operational efficiency. Mobile payments, crowdfunding platforms, and peer-to-peer financing enable small-scale investments, whereas big data analytics enhance revenue management, personalized marketing, and credit evaluation. Fu et al. (2023) assert that digital financial inclusion diminishes transaction costs and enhances credit accessibility for tourism companies. Shang et al. (2023) contend that ecotourism in underdeveloped nations is acutely affected by macroeconomic factors; elevated inflation, currency devaluation, and economic instability impede investment and underscore the necessity of stable governance. Li and Wu (2025) indicate that a 1% increase in green finance is associated with a 0.32% improvement in sustainability metrics within Asian economies, hence underscoring the significance of ecologically focused financial instruments. These observations emphasize the necessity of incorporating digital technologies and macroeconomic factors into tourism finance plans. A separate body of literature examines the influence of microfinance and social finance in facilitating community-based tourism. Microcredit initiatives conducted by entities like Grameen Bank furnish working capital for homestay enhancements, artisanal manufacture, and small dining establishments. Impact investors and social companies provide patient financing to ecotourism initiatives that yield both financial and social gains. Digital peer-to-peer lending platforms enable diaspora individuals to invest in local tourism enterprises. These strategies expand financial access for marginalized people and allocate rewards more evenly.

2.4 Research Gap and Theoretical Framing

Despite the academic interest in tourism financing, the literature is fragmented and rarely addresses Bangladesh. Current research frequently investigates tourism's impact on GDP or analyzes socio-economic effects, whereas financing mechanisms remain insufficiently examined. There is minimal agreement on theoretical frameworks; some authors utilize Keynesian multiplier models, whereas others reference sustainable finance or institutional theory. The lack of standardized reporting and statistics on tourism investment flows impedes study. This study employs a qualitative documentary methodology based on the idea that financial governance, digital innovation, and green investment impact sustainable tourist development. By integrating many sources, it seeks to offer a comprehensive picture of tourist finance in Bangladesh and to address deficiencies in the literature.

2.5 Research Problem Description

The primary research issue of this study is the insufficient comprehension of the impact of tourism finance on sustainable economic growth in Bangladesh. Although tourism is acknowledged as a catalyst for growth and poverty reduction, there is insufficient incorporation of financial instruments into policy frameworks and minimal coordination among stakeholders. The lack of dependable data and standardized reporting obstructs evidence-based policymaking. As a result, tourist initiatives frequently experience insufficient funding, postponements, and less accountability. The main aim of this research is to evaluate the influence of tourism finance on sustainable economic growth in Bangladesh.

The study addresses the following questions:

- **i.** What is the current state of tourism finance in Bangladesh, including public finance, private investment and digital financing instruments?
- **ii.** How do existing tourism finance mechanisms influence sustainable economic development, including economic growth, social inclusion and environmental protection?
- **iii.** What are the barriers and opportunities for scaling up tourism finance to enhance sustainability outcomes?

3 Methodology

3.1 Research Design

This research employs a qualitative design based on documentary analysis. In accordance with the methods of the original climate finance study, this research entails the systematic collection, evaluation, and interpretation of secondary data to investigate tourism finance and sustainable development. Documentary analysis is suitable for this topic as it facilitates the amalgamation of various data sources, including scholarly articles, policy documents, governmental reports, financial rules, industrial publications, and guidelines from international organizations. Emphasizing qualitative synthesis facilitates the recognition of themes, patterns, and correlations that may remain obscured by quantitative approaches.

3.2 Data Collection

Data were obtained from peer-reviewed journal articles, books, policy documents, annual reports of the Bangladesh Tourism Board, Bangladesh Bank, and the Ministry of Civil Aviation and Tourism, as well as publications from international organizations including the World Tourism Organization and the International Finance Corporation. The investigation encompassed the years 2018 to 2025 to document contemporary advancements in tourism finance. The keywords encompassed "tourism finance," "sustainable tourism," "green finance," "digital financial inclusion," and "Bangladesh." Documents were chosen based on their relevance, reliability, and the availability of empirical evidence. Secondary statistics regarding tourist arrivals and receipts were obtained from Macrotrends and the Bangladesh Bureau of Statistics to contextualize trends.

3.3 Data Analysis

The analysis employed thematic coding. Initially, documents were examined and categorized for references to financial instruments, governance, sustainability outcomes, and contextual elements. The codes were further categorized into categories related to tourism finance awareness, instrument availability, data reporting, digital finance adoption, public finance and governance, funding flows, socio-economic and environmental problems, and diversification prospects. Triangulation among sources improved validity, and representative quotes were extracted to substantiate interpretations. The findings were integrated to address the study questions and guided the discussion and recommendations.

3.4 Reliability and Limitations

This research depends on secondary data, which may be subject to reporting biases and deficiencies. The qualitative method offers depth but precludes statistical generalization. To improve trustworthiness, papers were verified for consistency, and many sources were referenced. The findings reflect the literature available to October 2023; subsequent advances may not be included. Notwithstanding these constraints, the study provides significant insights into tourism finance in Bangladesh and underlines avenues for future inquiry.

3.5 Contextual Analysis of Tourism Finance in Bangladesh

The tourist business in Bangladesh has shown moderate growth during the previous decade. Official records reveal that inbound visitor arrivals rose from over 620,000 in 2018 to 650,000 in 2019, thereafter declining in 2020 as a result of the COVID-19 epidemic. Macrotrends data indicate that tourist expenditure decreased from USD 391 million in 2019 to USD 217.9 million in 2020, representing a 44.3% reduction. The epidemic resulted in extensive layoffs, the shutdown of hotels and tour operators, and a decline in revenue for informal laborers. Although domestic tourism rebounded in 2022–2023, overseas visitors remain below pre-pandemic levels. The Bangladesh Bureau of Statistics reports that inbound tourism has not yet returned to its pre-2020 trend, with ongoing structural issues in data collecting and destination administration (Bangladesh Bureau of Statistics, 2023). Recent projections indicate that Bangladesh's travel and tourism sector may attain USD 4.9 billion by 2030, mostly propelled by domestic hotel demand and internet sales (Statista, 2025). The sector contributes approximately 2–3% to GDP, signifying considerable unexploited potential. The Tourism Destination Management Plan for Bandarban (2017–2027) seeks to enhance sustainability and infrastructure in critical areas (UNESCAP, 2024).

The funding environment is primarily characterized by governmental spending and philanthropic initiatives.

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The Ministry of Civil Aviation and Tourism, along with its agencies—the Bangladesh Tourism Board and the Bangladesh Parjatan Corporation—distributes cash for infrastructure, marketing, and training initiatives (Bangladesh Tourism Board, 2023, Ministry of Civil Aviation and Tourism, 2023). Nevertheless, budget allocations are limited and frequently redirected to alternative priorities. Financial institutions are hesitant to provide long-term financing to tourism enterprises because of elevated perceived risk, insufficient collateral, and unpredictability regarding profits. Capital markets are devoid of tools specifically tailored for tourism, and there exists no specialized fund for tourism development. Microfinance institutions extend small loans to craftsmen, homestay operators, and guides, thereby facilitating community-based tourism; nevertheless, these loans are inadequate for capital-intensive ventures. Public–private partnerships for hotel building and entertainment parks encounter delays stemming from bureaucratic processes, land conflicts, and political meddling. Donor-funded initiatives prioritize conservation, capacity enhancement, and cultural preservation; nevertheless, they frequently lack sustainability after the cessation of external funding.

Regulatory frameworks have progressively developed. A proposed National Tourism Policy highlights sustainable practices, investment encouragement, and community engagement. Nevertheless, tourism funding is only indirectly handled through infrastructure development provisions and incentives. A comprehensive tourism financing strategy is lacking, and financial regulations categorize tourism under the wider service sector. Sustainability disclosure mandates are lacking, and companies infrequently release financial or environmental reports. Informal finance persists; numerous small enterprises depend on personal savings or loans from family members, constraining scalability and risk distribution. Digital financial inclusion is growing, albeit inconsistently. Mobile money services like bKash and Rocket enable clients to pay for hotel reservations and transportation tickets in metropolitan regions. Fintech startups have introduced portals for travel reservations and microloans, while the central bank is testing a central bank digital currency. Nevertheless, digital literacy, internet access, and cybersecurity awareness are constrained in rural areas where numerous tourist sites are situated. The lack of compatible payment mechanisms and data privacy legislation hinders further use. Digital finance, when underpinned by suitable regulations and infrastructure, presents prospects for cost reduction, enhanced transparency, and effective data collection.

Tourism directly and indirectly employs hundreds of thousands of individuals throughout Bangladesh, including hotel personnel, tour guides, and suppliers of food, transportation, and handicrafts. The World Tourism Organization (2023) indicated that tourism-related employment may surpass 1.5 million positions if investment objectives are achieved. Domestic tourism thrives, with millions visiting religious shrines, beaches, hill stations, and cultural events annually, thereby bolstering local enterprises and artists. However, insufficient road infrastructure, restricted air connectivity, and a lack of quality lodging impede growth and reduce visitor happiness. Bangladesh occupies a poor position on the World Economic Forum’s Travel and Tourism Competitiveness Index, indicating deficiencies in infrastructure, regulatory framework, and health and hygiene standards. Climate change presents heightened hazards to tourism assets; increasing sea levels jeopardize coastal attractions, while the increased frequency of cyclones and flooding compromises infrastructure and disrupts transport. Investments in robust infrastructure, ecosystem rehabilitation, and catastrophe readiness are crucial for ensuring the long-term viability of tourism. Bangladesh's tourist business is hindered by insufficient investment, dependence on public financing, inadequate regulatory frameworks, and data shortcomings. Emerging prospects are there in digital finance, green finance, and community-based tourism. Leveraging these prospects necessitates cohesive policies, capacity enhancement, and collaboration across government entities, financial institutions, and local communities.

The government of Bangladesh has established a Tourism Master Plan that delineates policies for marketing, infrastructure, human resource development, and environmental management. The strategy prioritizes the establishment of tourism clusters, the development of integrated resorts, and the promotion of rural tourism. Bangladesh Bank has implemented refinancing initiatives to assist small entrepreneurs in the service industry (Bangladesh Bank, 2023); nevertheless, participation from tourism enterprises has been minimal due to rigorous eligibility requirements and little knowledge. Engagement with the private sector and the diaspora could generate supplementary resources for executing the plan and diversifying the financial landscape.

4 Findings

The qualitative study yielded eight interconnected themes concerning tourism financing and sustainable economic growth in Bangladesh.

i. **Growing Awareness but Limited Practice:** Stakeholders are progressively acknowledging the significance of sustainable tourism financing. Policy documents recognize the necessity of incorporating environmental and social factors into tourism initiatives, while industry associations address sustainability in conferences. Nevertheless, there is scant definitive advice on the accounting of environmental and social repercussions. Financial statements rarely incorporate sustainability criteria, and the majority of tourism enterprises function without specialized finance departments. Tourism finance is predominantly excluded from national financial policy.

ii. **Narrow Range of Financing Instruments:** Most tourism initiatives rely on public funding, donor contributions, and commercial bank financing. Innovative financial vehicles, such green bonds, sustainability-linked loans, and impact investments, are uncommon. Microfinance supports small firms but is incapable of financing massive infrastructure projects. Venture funding is nearly absent, and domestic investors exhibit caution. This constrained assortment of instruments limits the magnitude and variety of tourism investment.

iii. **Data Gaps and Inconsistent Reporting:** There is a deficiency of precise, disaggregated statistics about tourism investment flows, employment, and environmental impacts. Companies rarely disclose financial or sustainability reports, impeding accountability and discouraging investors. Government data on tourism revenue and visitor arrivals is irregular and frequently inconsistent. In the absence of credible data, policymakers are unable to formulate evidence-based initiatives or assess progress.

iv. **Limited Adoption of Digital Finance:** Digital payments and fintech solutions are proliferating, although they remain insufficiently integrated into tourism financing. A significant number of transactions continue to be conducted in cash, especially in rural regions. Small enterprises sometimes encounter limited access to point-of-sale systems, while elevated transaction fees deter digital adoption. Consequently, the tourism sector forgoes chances for efficiency, transparency, and customer analytics.

v. **Weak Public Finance and Governance:** Tourism budget expenditures are limited and often redirected to other sectors. Project approvals encounter delays attributable to bureaucratic processes, land conflicts, and overlapping authorities. Decentralization is constrained, and corruption inhibits private investment. Local governments possess restricted capacity to generate revenue or oversee tourism assets, resulting in a disconnect between local need and national objectives.

vi. **Small Financing Flows:** The overall investment in tourism is minimal compared to the sector's potential. Private investors regard tourism as a high-risk sector due to political instability, infrastructural constraints, and minimal profits. Donor initiatives offer transient assistance but rarely establish self-sustaining financial structures. The lack of blended finance vehicles constrains the utilization of public monies.

vii. **Socio-Economic and Environmental Pressures:** Poverty, gender inequities, and youth unemployment hinder community engagement in tourism initiatives. Climate change jeopardizes coastal and woodland attractions, elevating upkeep and insurance expenditures. Environmental degradation and the excessive exploitation of natural resources jeopardize tourist attraction. Insufficient awareness of climate concerns among investors and operators intensifies vulnerabilities.

viii. **Opportunities For Diversification and Innovation:** Notwithstanding problems, opportunities are present in community-based tourism, ecotourism, and cultural tourism. Microfinance can assist small enterprises, while

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public–private partnerships may facilitate the development of larger initiatives contingent upon enhanced governance. Diaspora investment and crowdfunding platforms have the potential to mobilize supplementary resources. Green fees and payments for ecosystem services may fund conservation efforts. Digital technology provides opportunities for marketing, customer interaction, and financial transactions.

These themes indicate that although knowledge of tourism financing is increasing, the sector is hindered by insufficient mechanisms, data deficiencies, inadequate governance, and minimal financial flows. Rectifying these deficiencies is crucial for the advancement of sustainable tourism.

5 Discussion

5.1 Tourism Finance as a Catalyst for Sustainable Development

The results indicate that tourism finance can stimulate sustainable economic development when paired with effective governance and sustainability standards. Investments in infrastructure, marketing, and human capital can create employment, invigorate related sectors, and safeguard cultural heritage. The uneven effect of tourism revenue on GDP highlights the necessity of stabilizing funding sources to prevent recessionary cycles. Inclusive financial instruments—such as microcredit, community funds, and cooperative banks—can empower marginalized populations and facilitate the redistribution of benefits. Incorporating social and environmental safeguards into financial choices guarantees that growth does not worsen inequality or ecological harm.

5.2 Integrating Green and Digital Finance

Green financing instruments ought to assume a pivotal position in the advancement of tourism. Green bonds and sustainability-linked loans can fund renewable energy installations, waste management facilities, and conservation initiatives. Empirical data correlating green finance with elevated sustainability indices indicates that these investments produce quantifiable advantages. Bangladesh may consider the issuance of green bonds or the creation of a Tourism Green Finance Facility to integrate public and private capital. Digital financial inclusion improves capital accessibility and lowers transaction expenses; data from China illustrates its beneficial impact on tourism businesses and consumer expenditure. Mobile payment systems, big data analytics, and artificial intelligence have the potential to transform booking, marketing, and risk assessment in Bangladesh. Digital finance necessitates strong cybersecurity, regulatory frameworks, and consumer protection.

5.3 Institutional Reforms and Transparency

Fragile institutional structures and non-transparent public funding hinder tourism financing. Implementing transparent budgeting and accountability systems, as proposed by the QSustainableTPF model, will enhance resource allocation and bolster investor trust. Creating a specialized Tourism Development Fund with defined governance could allocate resources for sustainable initiatives. Decentralizing decision-making and promoting stakeholder engagement would connect investments with local requirements. Financial regulators want to establish criteria for sustainability-linked loans, green bonds, and digital finance within the tourism sector. Implementing worldwide reporting standards, such as those suggested by the International Sustainability Standards Board, would improve transparency and draw in investors.

5.4 Data Gaps and Research Needs

Precise data on investment flows, employment, and environmental repercussions is crucial for evidence-based policy. Requiring financial and sustainability reporting for tourism firms and creating a national tourism finance database will improve openness. Digital platforms can facilitate the automation of data collection and processing. Universities and research institutions ought to partner with business to perform studies on tourism finance, assess pilot projects, and spread exemplary practices. This evidence can inform policy modifications, pinpoint effective tools, and stimulate innovation.

5.5 Cross-Sectoral Integration and Resilience

Integrated tourist finance fosters synergies with agricultural supply chains by stimulating demand for local goods, crafts, and cultural acts. Supporting smallholder farmers and craftsmen can enhance rural lives and mitigate urban migration through tourism earnings. Investments in trash management and public health services enhance inhabitants' quality of life and improve the visitor experience. Integrating tourism financing into comprehensive economic planning allows policymakers to utilize multiplier effects and optimize developmental outcomes.

Tourism finance must be congruent with overarching economic, social, and environmental goals. Investments in infrastructure, renewable energy, trash management, and healthcare services benefit both inhabitants and visitors. Integrating tourism finance with climate adaption methods is essential due to Bangladesh's susceptibility to cyclones and floods. Insurance programs, contingency reserves, and robust infrastructure can safeguard investments and communities. Cross-sectoral cooperation can fortify connections among tourism, agriculture, fisheries, and cultural sectors, so improving food security and diversifying income streams.

5.6 Implications for Developing Economies

The issues observed in Bangladesh—restricted financial instruments, inadequate governance, and data deficiencies—are prevalent in most emerging economies. Evidence indicates that green governance and digital finance positively impact sustainable tourism, suggesting that institutional reforms and technical innovation can produce extensive advantages. Policymakers in other nations can glean insights from Bangladesh's experience to design contextually relevant tourism finance plans, prioritizing inclusive funding, public-private partnerships, and community engagement.

5.7 Recommendations

This study presents the following proposals to improve tourism finance and foster sustainable economic development in Bangladesh, based on the findings and debate.

i. **Establish a Tourism Development Fund:** Establish a segregated fund specifically for tourist initiatives, funded by budget allocations, donations from development partners, and charges on tourism services. Guarantee transparent governance, performance metrics, and public disclosure. The fund must prioritize initiatives that enhance sustainability, foster community engagement, and bolster climate resilience.

ii. **Develop Green Finance Instruments:** Issue green bonds and sustainability-linked loans specifically designed for tourism initiatives, including eco-lodges, renewable energy systems, and waste management facilities. Engage with multilateral development banks to design blended financing instruments that mitigate risk for private investors. Urge financial institutions to incorporate environmental and social factors into credit evaluations.

iii. **Promote Digital Financial Inclusion:** Enhance mobile payment infrastructure in rural and tourist regions, decrease transaction fees, and invest in digital literacy initiatives. Support fintech startups that provide financial solutions for tourism, including microcredit platforms and peer-to-peer lending. Implement regulatory frameworks that harmonize innovation with consumer protection.

iv. **Enhance Public Finance Transparency and Coordination:** Implement the QSustainableTPF model to guarantee transparent budgeting, effective resource allocation, and accountability. Enhance collaboration among ministries, financial regulators, and local authorities. Create public-private forums to synchronize investment priorities and disseminate information.

v. **Strengthen Data Collection and Reporting:** Require tourist firms to consistently submit financial and sustainability reports. Establish a national tourism finance database that is available to politicians, investors, and scholars. Incorporate data collection into digital payment systems to enhance precision. Foster research collaborations to assess financial instruments and share results.

vi. **Support Community-Based and Inclusive Tourism:** Broaden microfinance programs and grants for community-based tourism, women-led enterprises, and youth initiatives. Offer technical support for corporate strategy, marketing, and sustainable practices. Promote diaspora investment and crowdfunding to mobilize cash for local initiatives.

vii. **Address Macroeconomic and Institutional Challenges:** Enact macroeconomic measures that stabilize inflation and currency rates, so bolstering investor confidence. Fortify the rule of law, optimize licensing and land acquisition procedures, and eradicate corruption. Facilitate training for public officials on sustainable tourist financing and include tourism into national development objectives.

viii. **Integrate Climate Resilience and Conservation:** Integrate climate risk evaluations into financial decision-making. Allocate resources towards robust infrastructure, ecological rehabilitation, and catastrophe readiness. Implement green fees on tourism services to finance conservation efforts, supplemented by educational programs to foster public support.

6 Conclusion

This study evaluated the influence of tourism finance on sustainable economic growth in Bangladesh through a qualitative documentary methodology. The literature review emphasized the progression of tourism financing, the relationship between finance and sustainability, and the several mechanisms accessible. Empirical research indicates that tourism receipts exert a positive although unequal influence on economic growth, whereas green finance, digital financial inclusion, and governance are essential factors for sustainable tourism. The contextual study indicated that Bangladesh's tourism financing ecosystem is marked by restricted instruments, data deficiencies, minimal funding streams, and governance issues. However, opportunities exist in digital finance, green instruments, community-based tourism and public–private partnerships. To use tourism's potential, authorities must create specialized funding channels, promote digital and sustainable finance, better data systems, increase public finance transparency, and incorporate tourism into comprehensive development strategies. Institutional reforms and inclusive governance are essential. Future study may utilize quantitative approaches to assess the economic impact of particular instruments, investigate the behavioral characteristics of tourism investors, and analyze the influence of cultural variables on tourism finance. Comparative analyses among emerging nations would enhance comprehension of effective strategies.

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