

ABSTRACT

Travel & Tourism is a developing sector in Bangladesh and it is very imperative to ensure sustainable development goal of Bangladesh and uphold GDP @ 7 %, where Total Travel & Tourism's contribution share near about 4.7 % of total GDP. It will be a challenging task for Bangladesh to maintain GDP growth more than 7% in near future but tourism sector has the potentiality to support GDP growth besides RMG sector. Bangladesh is a land of river & beauty which has world longest sea beach with UNESCO world heritage Sundarbans. Through the paper we will observe the causality between Travel & Tourism's contribution to GDP growth & employment in Bangladesh by formulating an econometrics model. All analyses have been conducted by vector error correction model and Engle & Ganger test of causality with the yearly data on employment in tourism sector, visitor export, and capital investment in tourism sector over the period of 1990 to 2015. Through the analyses we observe that travel and tourism's variables together have long-run significant relationship with GDP growth and employment creation. Our forecasting that in future Bangladesh GDP growth and employment growth in tourism will be strengthened through capital investment and visitor export and in coming years Bangladesh GDP growth will be near to 7% and in 2016 Bangladesh GDP growth rate was 6.9 % and employment generation growth in tourism sector is forecasted to be near to 10%.

Keywords: GDP Growth, Tourism Employment Growth, Econometric Analysis, Vector Error Correction Model, Visitor Export.