
Black Box

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At a Glance: The Naf Tourism Park Project

Location: Jaliar Dwip, an island in the Naf River, Teknaf, Cox's Bazar.

The Vision was to develop Bangladesh's first specialized island-based world-class tourism hub featuring cable cars, eco-cottages, hanging bridges and underwater activities managed by Bangladesh Economic Zones Authority (BEZA). The initial feasibility studies began in 2016-17; A \$500 million investment agreement was established with Siam Siam International in 2018 that drove progress in this high-potential venture, major infrastructure contracts were awarded in 2018-2020; however, development has been hindered post 50% land completion in early 2022 and the site currently serves as grazing land for buffalo, Approximately 30 crore BDT of public funds were spent on feasibility, land development, and boundary walls before the exit of contractors. The recent assessment by BEZA confirms that the project is indefinitely suspended because of regional diplomatic sensitivities. Presently, the authority is looking into a strategic partnership with China, envisioned as a possible way out of the geopolitical stalemate and to facilitate the resumption of land development activities.

In this volume of the newsletter, we will analyze the failure of the Naf tourism park from three different lenses.

Geopolitical Perspective

The Naf Tourism Park was planned as a world-class destination on Jaliardwip Island, but it ultimately failed due to deep-seated geopolitical tensions between Bangladesh and Myanmar. The roots of the problem can be traced back to the 1966 bilateral agreements, which only demarcated the land boundary and left the maritime boundary unresolved. This legal gap created decades of uncertainty and mistrust between the two countries. According to research by Ravi A. Balaram (2012), the absence of a clearly defined maritime boundary led to serious conflicts, including the 2008 naval standoff, when both countries deployed warships to the area following the discovery of natural gas reserves.

The 1966 agreement between Bangladesh (then East Pakistan) and Myanmar successfully demarcated the land boundary, particularly along the Naf River. However, it did not address the maritime boundary in the Bay of Bengal, leaving issues 2002 and 2007, when significant natural gas reserves were discovered in the Bay of Bengal. Both Bangladesh and Myanmar sought control over the resource-rich maritime area. Tensions escalated in 2008 when Myanmar initiated offshore exploration activities in the disputed zone. Bangladesh opposed these activities, arguing that exploration should not proceed until the maritime boundary had been formally delimited. This disagreement heightened naval tensions between the two countries and ultimately led to the temporary suspension of the exploration project.

The project also faced practical challenges when Myanmar objected to Bangladesh's extraction of sand and soil from the Naf River for construction purposes. Myanmar argued that such activities could violate existing border understandings (Prothom Alo, 22 June 2023). As a result, construction work was halted, creating uncertainty among potential investors.

Furthermore, as reported by The Business Standard (2025), a Bangladesh Economic Zones Authority (BEZA) official confirmed that security concerns arising from the island's close proximity to Myanmar discouraged private investors from participating in the project under a Public-Private Partnership (PPP) model. Although the maritime dispute was peacefully resolved through the International Tribunal for the Law of the Sea (ITLOS) in 2012, the legacy of mistrust and ongoing security concerns continued to influence investment decisions and development planning (Balaram, 2012). Consequently, the project struggled to attract sustained investor confidence, ultimately undermining its long-term viability under the PPP framework.

The Big Question

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If we cannot fix our bilateral agreements or build a mutual understanding between Bangladesh and Myanmar, can we ever successfully complete a project in this region? From the gas field disputes to the failure of the Naf Tourism Park, it is clear that without solving geopolitical issues and ensuring border security, even the most beautiful projects will remain out of reach.

Social Perspective

The failure of the Naf Tourism Park can be analysed through a few social and institutional

factors that slowed down and finally halted the project. The social problems revolve around political problems, lack of coordination among government organizations, and lack of community participation. Let's have a deep dive into each of the factors to understand better.

1. Conflict of Interest and Political Influence

One of the earliest challenges faced in the development phase of the project was the acquisition of the land designated for the project. The specified land had to be reclaimed from the then Member of Parliament (MP) of Teknaf, Badiur Rahman Bodi. Reports suggest that the reclamation began in 2018 and the project was finally approved as a master plan in 2020. During this time, the land reclamation process went through a long legal battle. This incident reflects a common socio-political problem in Bangladesh where the local political actors become involved in land ownership, business interests, and development activities, which ultimately hinder the development projects.

2. Lack of Coordination Among Government Institutions

A major weakness that came to our notice was the lack of coordination among the government stakeholders who are responsible for the project. I mean, who can think of a tourism project development without the involvement of the tourism board itself? From the available reports, we couldn't find any evidence of coordination among the Ministry of Civil Aviation and Tourism, the Bangladesh Tourism Board, the Ministry of Foreign Affairs, and the Bangladesh Economic Zones Authority (BEZA). Technically, these are the ministries that could be found related to the development of any tourism project. If the Ministry of Foreign Affairs was there earlier, then Myanmar's objection to dredging from the Naf River could have been

anticipated earlier; the Bangladesh Tourism Board could have acted as a saviour by designing a contingency plan at the very beginning. But none of these happened, and the project is lost in history, just like the failed startup of your friend without any concrete plan.

3. Lack of Community Participation

This reason can't actually be directly linked to the failure of the project, but it would've surely become a threat to the success and long-term sustainability of the project .. Community involvement is considered one of the core principles of sustainable tourism development because local residents are directly connected to the destination and its development.

Environmental Perspective

The Naf River region is an ecologically sensitive area. The Teknaf Wildlife Sanctuary, a home of wild Asian elephants, more than 260 species of birds and various primates are located in Teknaf peninsula which is proclaimed as Environment Critical Area (ECA) (*Teknaf Wildlife Sanctuary – Nishorgo*, n.d.). Jaliar Dwip that will be situated in the Naf Tourism Park is within 2- 3 km distance to this sanctuary (-----). The erection of a large tourism complex in an area near a protected habitat posed a threat of discontinuation of promoting biodiversity and wildlife corridors (Rayhan, 2025). The issue of ecological sensitivity was not a trivial problem, it was a structural limitation the project was not able to overcome. The soil type of the area is flat and salty, which is naturally conducive to shrimp and salt production. A 1-acre salt farming has the potential to earn a great amount yearly, and shrimp farming will add more profits. Due to its high returns, mangroves were exploited and occasionally with local influential actors (Chowdhury et al., 2011). Environmentalists caution that clearing vegetation changes the micro climate. A BEZA official

admitted that changing use of land might enhance the rise in temperature and intensification of salinity, and rise in sea-level enhances saltwater penetration (Daily Sun, 2024). Environmental stability is needed in the infrastructure of tourism. Rather the area is a cyclone prone area sensitive to tidal floods (*Teknaf Wildlife Sanctuary – Nishorgo*, n.d.). The 1991 cyclone demonstrated the effect of how the loss of mangroves increased the destruction (Ocean, 2025). The added risk of heavy infrastructure development in those conditions was increased instead of being decreased. Sonadia Island had its share of shrimp growth, mangrove devastation and legal wrangles. The Sonadia eco-park was cancelled in 2025 by the government to conserve biodiversity (Report, 2025). Sonadia demonstrates that environmental permits may be revoked in case the damage to the ecology is obvious. Naf Tourism Park was placed on the same weak ecological footing, and its collapse was hardly unexpected, rather than by chance.

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