



**WILLINGNESS TO PAY  
FOR RECREATIONAL ACTIVITIES:  
A CASE STUDY ON GUNUNG GADING NATIONAL PARK**

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## **ABSTRACT**

This study aimed to investigate empirically the WTP for entrance fee of the visitors for recreational services in Gunung Gading National Park. The study focuses on contingent valuation method of willingness to pay. It uses multiple regression estimation models to estimate the determinants of the visitor's WTP responses for visiting the parks for recreation. The study was based on 220 respondents that were randomly interviewed for data collection in January-February 2005. Among descriptive variables, visitors' origin and income were found statistically significant at 1 percent and 5 percent significance level, respectively. Other variables such as visitors' education and profession were statistically significant at 10 percent significant level. However, it was found that visitors' gender was not a significant variable. Satisfaction level toward park services and other facilities provided in the park shows a very strong relationship with visitors' WTP. It was statistically significant at 1 percent significant level. Other variables such as the transportation services, accommodation, accommodation rate, activities/interpretation programs and the visitors' opinion about the park were statistically significant at 5 percent significant level. The study recommends that the authorities adopt a systematic approach in determining the entrance fee for all the national parks in Sarawak. National parks that provide more recreational services should charge higher entrance fees than those, which provide less recreational services. This measure should raise revenue for park management and help to ensure that park recreation will continue its contribution to society.

## CHAPTER 1

### INTRODUCTION

#### 1.1 **Background and scope of study**

Ecotourism plays an important role in increasing natural resource conservation and economic growth. It may also lead to management and policy challenges. A growing body of literature in this area has stressed upon the role of user fees in the management of national parks and protected areas, primarily in developing countries. In many developing countries, seeking to balance environmental and economic growth objectives, the challenges facing policy makers are particularly great. The foreign visitors of protected areas like national parks are paying part of the costs but reap many of the benefits stemming from resource conservation efforts. Tourism revenues, rather than being earmarked for park maintenance or resource conservation efforts, are frequently merged with other sources of general revenues.

In such situations, the potential benefits from charging user fees to national parks are significant. User fees are one vehicle to capture for the public benefits of ecotourism, which often accrue primarily to the private sector. They also can be used to reduce visitation in areas that suffer from over-use and accompanying ecological damage.

Thus, some studies should be carried out, particularly in developing countries to guide the relevant authorities in designing effective pricing strategies for protected areas. Analyses assessing the willingness to pay for the entrance fees are needed so that appropriate policies can be devised and implemented and resources can be managed in an optimal manner.