

Tourists' willingness to pay for entry fee in Langtang National Park, Nepal

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Introduction

Protected areas (PAs) are established as an instrument to conserve biodiversity and maintain ecological processes (Dudley, 2008). Besides nature conservation's role, protected areas are also the destination of nature based tourism and recreation. However, establishing and managing protected areas is a costly business requiring money to achieve balance between conservation and recreation or park tourism. Lack of finance can undermine the conservation objectives of protected areas. Currently, Nepal has 10 National parks, 3 wildlife reserves, 1 hunting reserve and 6 conservation areas covering 23.35% of its territory, including buffer zones (DNPWC, 2012). Of these PAs, Sagarmatha (Mount Everest) National Park and Chitwan National Park are world heritage sites (natural) and 6 Ramsar Sites are within the protected area system.

In most of the developing world, a protected area charges an entry fee to generate a fund to meet its management cost and Nepal is no exception to this. Every protected area in Nepal charges a tourist entry fee based on a three-tier fee system: foreign tourists, SAARC tourists and Nepalese. However, in the Himalayan and Mountain parks and protected areas such as Langtang National Park (LNP), Nepalese are allowed to enter free whereas in other parks they have to pay, but very much less in comparison with foreign tourists. The entry fee is also varied among different protected areas. In Langtang National Park, foreign tourists are required to pay NRs. 3000 (about US\$ 30) as a park entry fee per entry/visit and the fee was revised about two years ago, from NRs. 1000. In the fiscal year of 2011/2012, the number of foreign visitors was 14,134 in Langtang.

Methods

Contingent Valuation (CV) method was employed in order to explore the Willingness to Pay (WTP) of foreign visitors for entry to Langtang National Park, Nepal. A payment card method was used to elicit the WTP of visitors, which ranged from Zero to US\$ 300 (and more). CV question was followed by the question that asked reasons for visitors' willingness to pay (or not willing to pay) for an entry fee. Face-to-face interviews (N= 187) were conducted in Langtang in the autumn of 2013. Only foreign tourists were surveyed because they were the ones to pay the highest entry fee of NRs. 3,000. LNP is the first Himalayan national park in Nepal established in 1976 and covers 1710 sq km.

Result and Discussion

60% of the respondents were male and 40% female with average age of 40.81 years (± 14.20). The age range was from 19 to 66 years. Majority of the visitors came from France followed by Germany and the United States. The primary motive for visiting Langtang National Park was trekking/hiking.

Tourists in LNP spend about 9.73 days in average. The minimum visitor days was found to be 4 days and maximum days was 25.

Out of 187 respondents, only 145 expressed their WTP in monetary value, which was 77.5% of response rate. The majority of the respondents (70%) were willing to pay more than the current entry fee of US\$ 30. Only 8% of the respondents replied that they did not want to pay any amount of the entry fee and it was 17% of the respondents who were willing to pay less than the current entry fee. Mean WTP was found to be US\$ 63.59 (\pm 55.44) and median WTP was US\$ 50. This finding is similar to the previous studies in Nepal’s Annapurna Conservation Area and Chitwan National Park where the visitors were willing to pay more than the existing entry fee (Baral *et al.*, 2008; Cook, 2011; Wrobel and Kozlowski, 2011). However, visitors stated certain reasons for their willingness to pay for the hypothetical increase in the entry fee. Distribution of WTP bid amount is provided in the figure below.

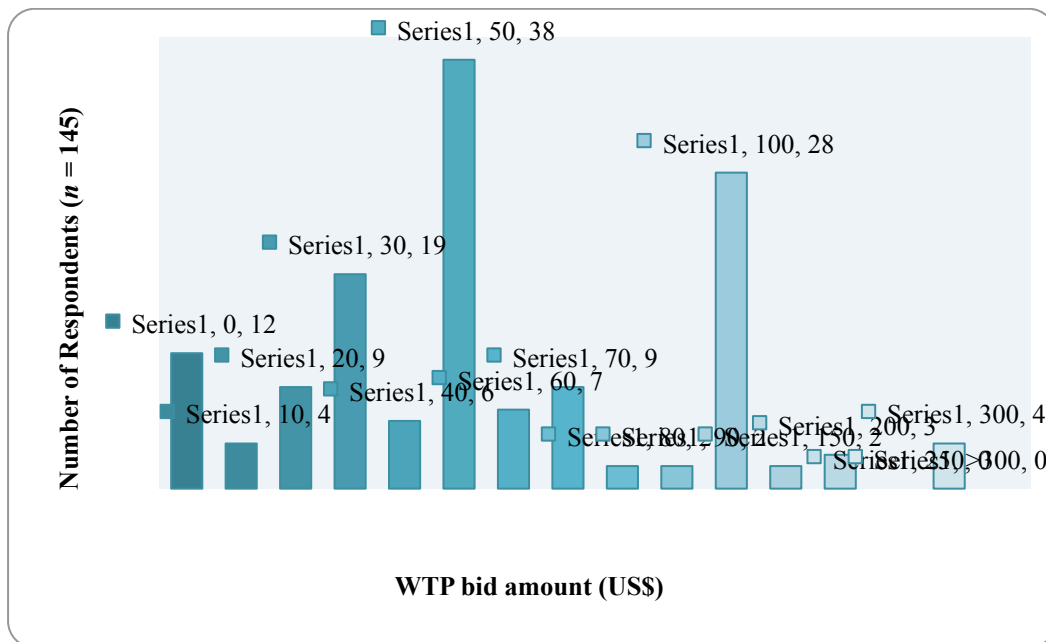


Figure: WTP bid amount in Langtang National Park, Nepal (N = 145)

In the fiscal year of 2011/2012, LNP generated US\$ 351,930 from foreign tourists only in the form of the park entry fees. 66% of the respondents are willing to pay US\$ 50 or more. Given the hypothesized entry fee and the prospective number of visitors willing to pay for this sum of money in LNP, US\$ 50 could have generated US\$ 466,400 which is the maximum revenue for the park that can be generated than any other entry fee.

Conclusion

Although the fee was increased to tap the economic potential of the park’s tourism in LNP, it is found that tourism value still holds more to the visitors. Nepal government has recently increased

the fee, therefore it would be wise to increase the fee after some year on trial basis. However, visitors' expectations have to be met before increasing the fee. Based on the demand curve and analysis of the revenue generated from the entry fee, it is reasonable to increase the fee to US\$50. It is important to use the fund generated via the entry fee in protected area management and local community development rather than to deposit to the central treasury.

References

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