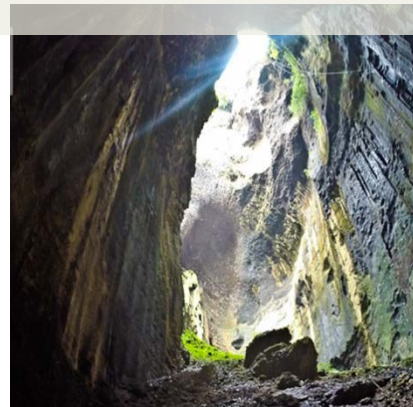
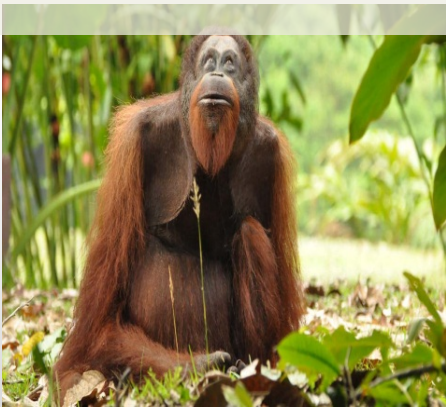




Study on Willingness of Visitors to Sabah to Contribute towards Ecosystem Conservation Fee



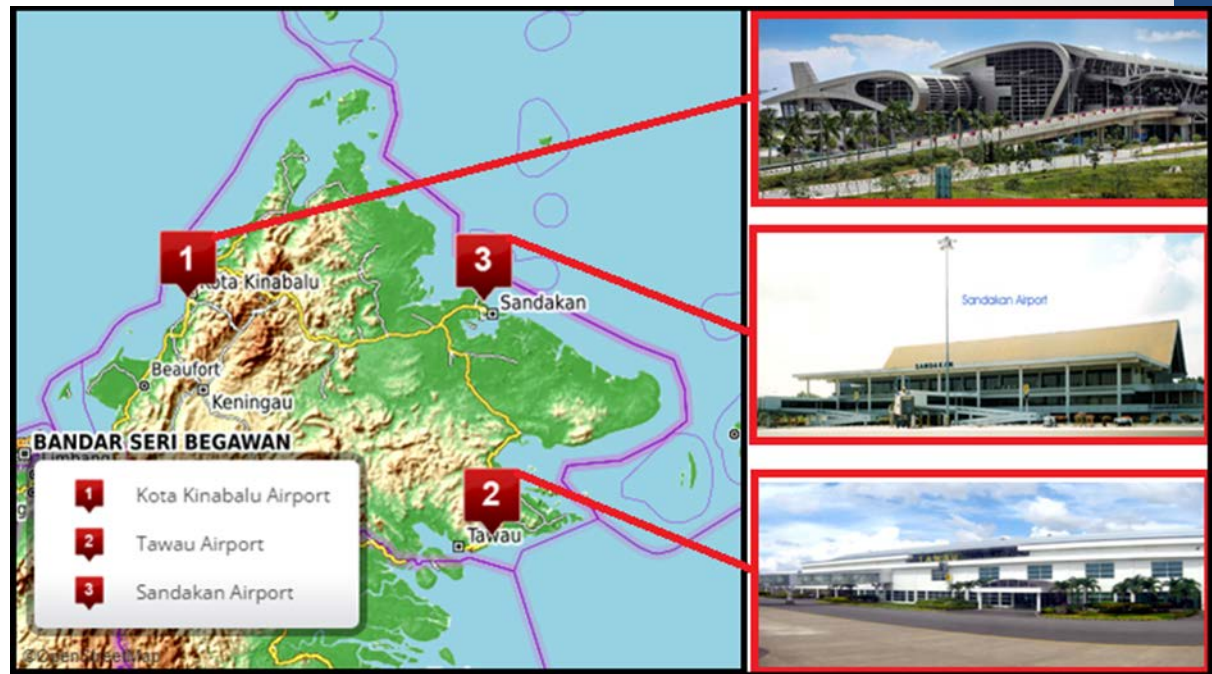
Introduction

- One component of GoM-UNDP-GEF Project's on the biodiversity conservation in multiple use ecosystem in Sabah Malaysia is to:
 - Study on the feasibility to introduce an ecosystem conservation fee targeting visitors to Sabah.

Objective

- **The study to provide information on**
 - Whether visitors are willing to pay the proposed ecosystem conservation fee,
 - The amount they are willing to pay, and
 - Other feedback, eg. preferred method of payment and other related information.

Sample Survey



- Sampling is random
- 95% of visitors come to Sabah through airports, => the study relied on interviews of visitors leaving Sabah's three main city international airports which are at
 - Kota Kinabalu Airport
 - Sandakan Airport
 - Tawau Airport
- The distribution of samples is based on regional proportions of visitor arrivals into Sabah in 2016

Survey

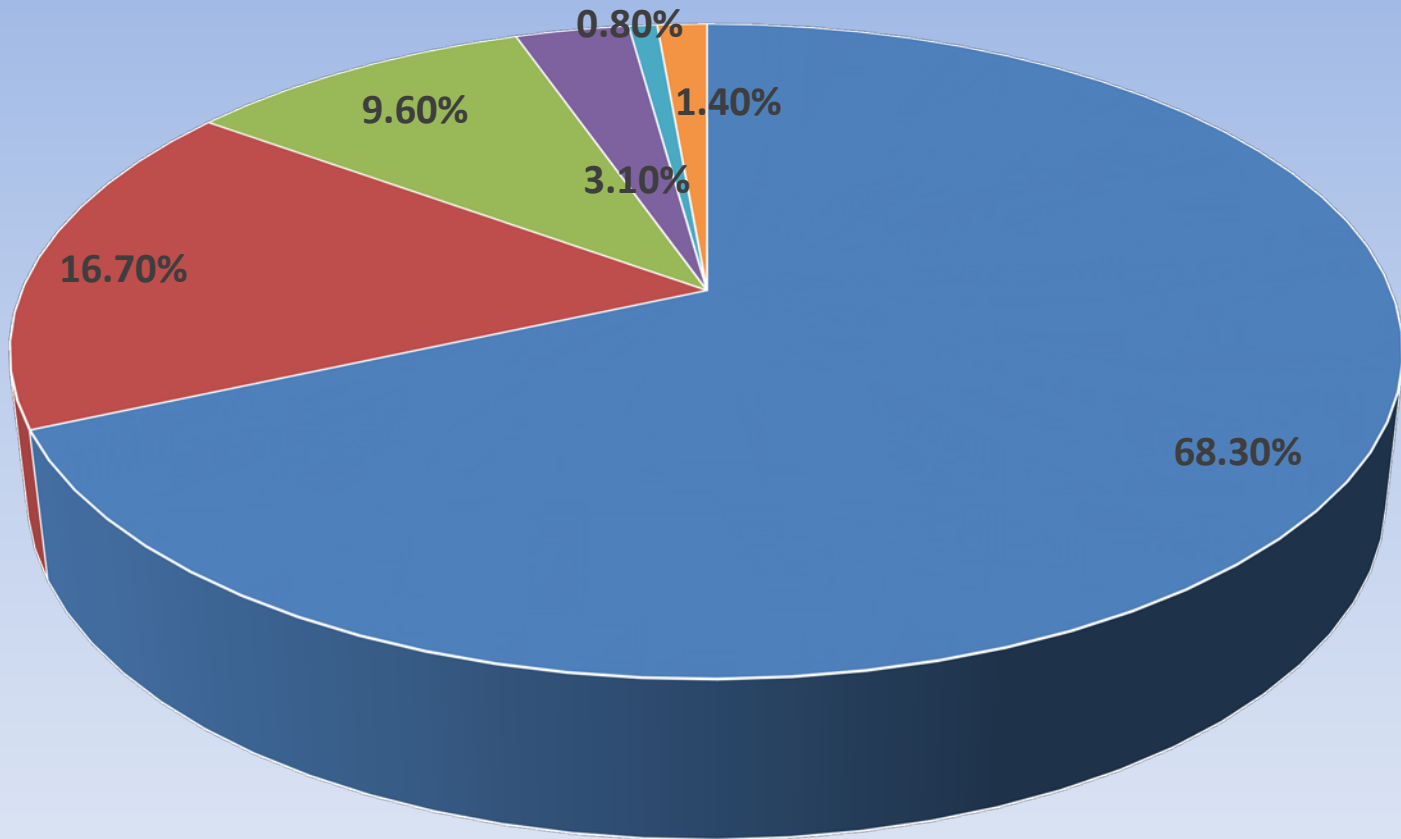
- The field survey was carried out for five days starting 19th May 2017 and ending 23rd May 2017.
- A team of five enumerators were selected to carry out the survey.
- 508 responses in total

Survey Sample: 508

Airport	Actual		
	Kota Kinabalu	Tawau	Sandakan
Percentage of Sampling according to Airports	67.00%	22.00%	11.00%
Categories of Tourist			
Non-Sabahan			
Malaysian	232	76	38
Southeast Asia (ASEAN)	33	11	5
Northeast Asia	57	19	9
Oceania	5	2	1
European	11	4	2
North American	2	1	1
Middle East	0	0	0
Grand Total	340	112	56

Survey Sample

Respondent's Region of Origin Percentage Distribution



■ Malaysian ■ Northeast Asian ■ Southeast Asian ■ Europe ■ North America ■ Oceania

Contingent Valuation Method

- Would you be willing to contribute to an **ecosystem conservation fee**?

The fees collected will:

- **Complement** government funding for carrying out conservation activities at the ecosystems and landscape level
- Be pooled into a ecosystem conservation **trust account** that will be managed by the State of based on best practices such as transparency and accountability, where activities and achievements will be presented in annual reports
- Be used to - *“To fund conservation activities at the ecosystems and landscape level to maintain and increase existing benefits of ecosystem services”*. These activities are grouped into the following categories:
 - **I. Expand Protected Areas**
 - **II. Restore resilience and functionality of ecosystems**
 - **III. Reduce habitat fragmentation by enhancing connectivity**
 - **IV. Support and incentivise best management practices**



Sabah's terrestrial and marine resources above provide various benefits to

Survey Finding

Willingness to Pay (WTP)

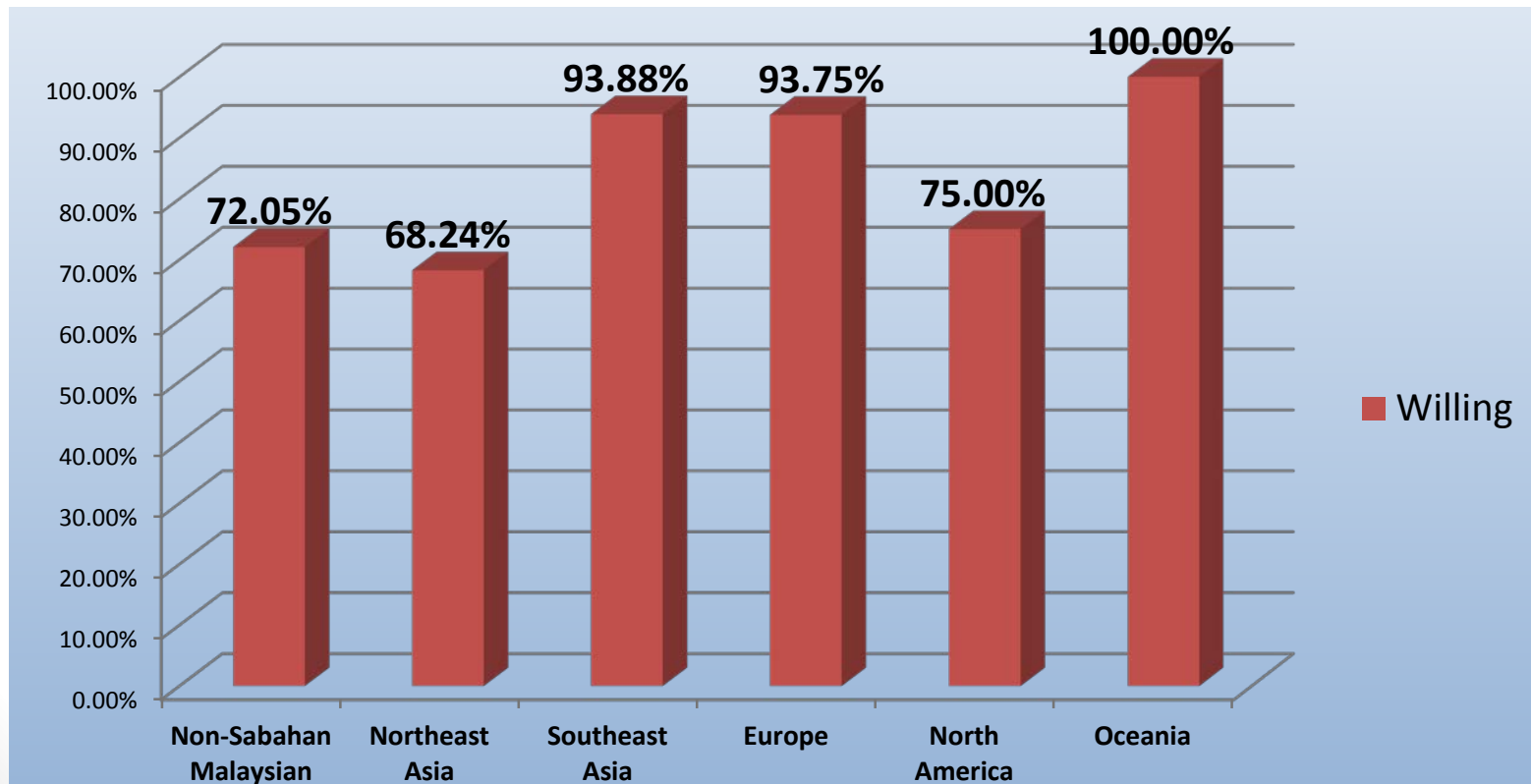


- A majority of the tourists (74.61%) agreed to contribute to the proposed ecosystem conservation fee.
- Willingness to contribute varied among region of origin and purpose of visits.

WTP: International v non-Sabahan Malaysian

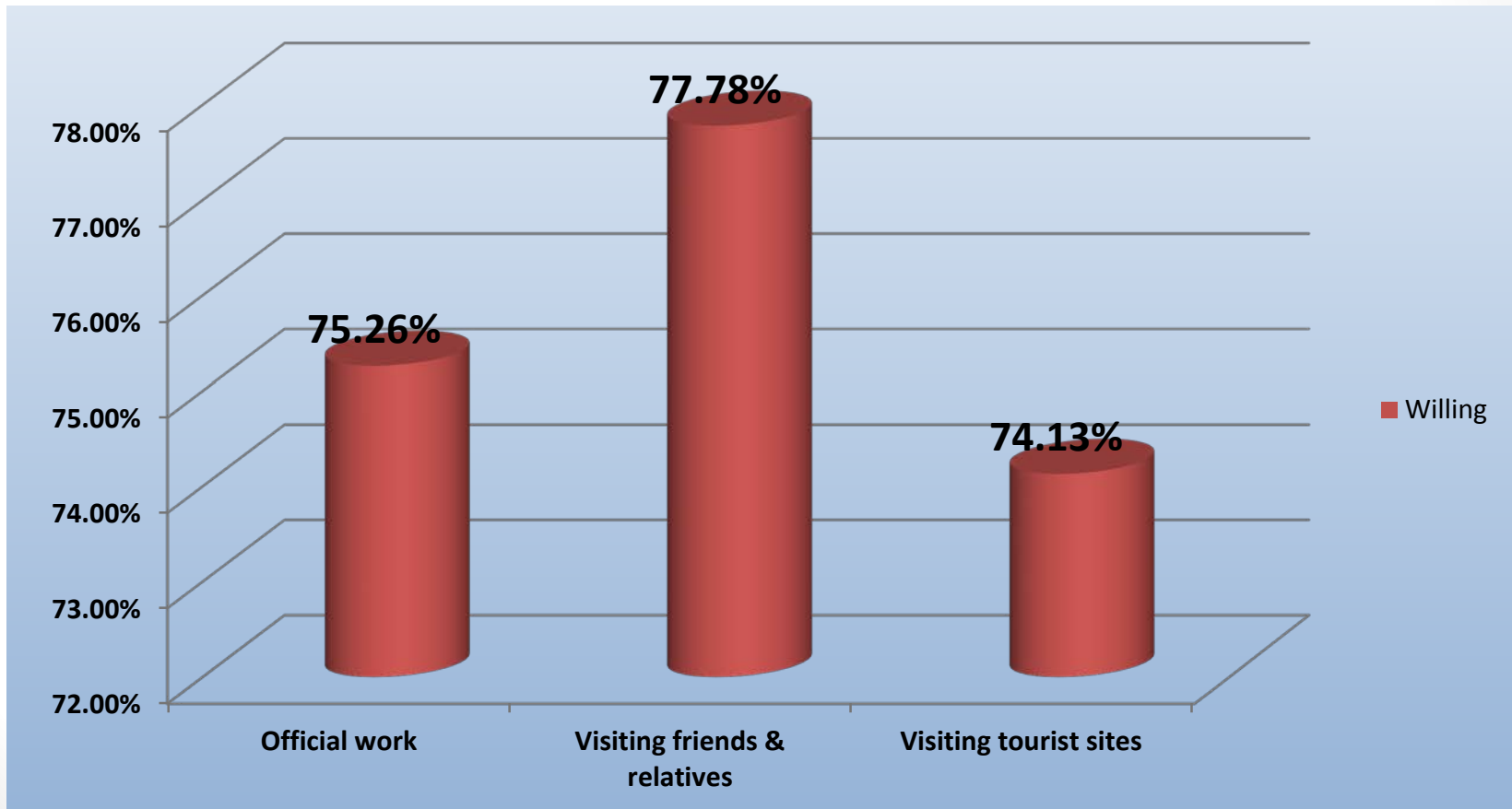
Willing to contribute:

- International visitors (average) - 80.12%
- Non-Sabahan Malaysians - 72.05%



WTP: By Purpose Of Visit

- 'visiting friends and relatives' (77.78%)
- 'official work' (75.26%)
- 'visiting tourist sites' (74.13%).



WTP by Purpose of Visit

- The lowest average WTP was for official work purposes of RM6.30
- Followed by visits to friends and relatives of RM6.57.
- The highest average WTP was for the purpose of visiting tourism sites of RM9.01.
- But it should be noted again that the averages by purposes of visit, would vary when broken down by regions.

Reason coming to Sabah/WTP	Average WTP (RM)
Official work	6.30
visiting friends	6.57
visiting tourism site	9.01
Grand Total	8.34

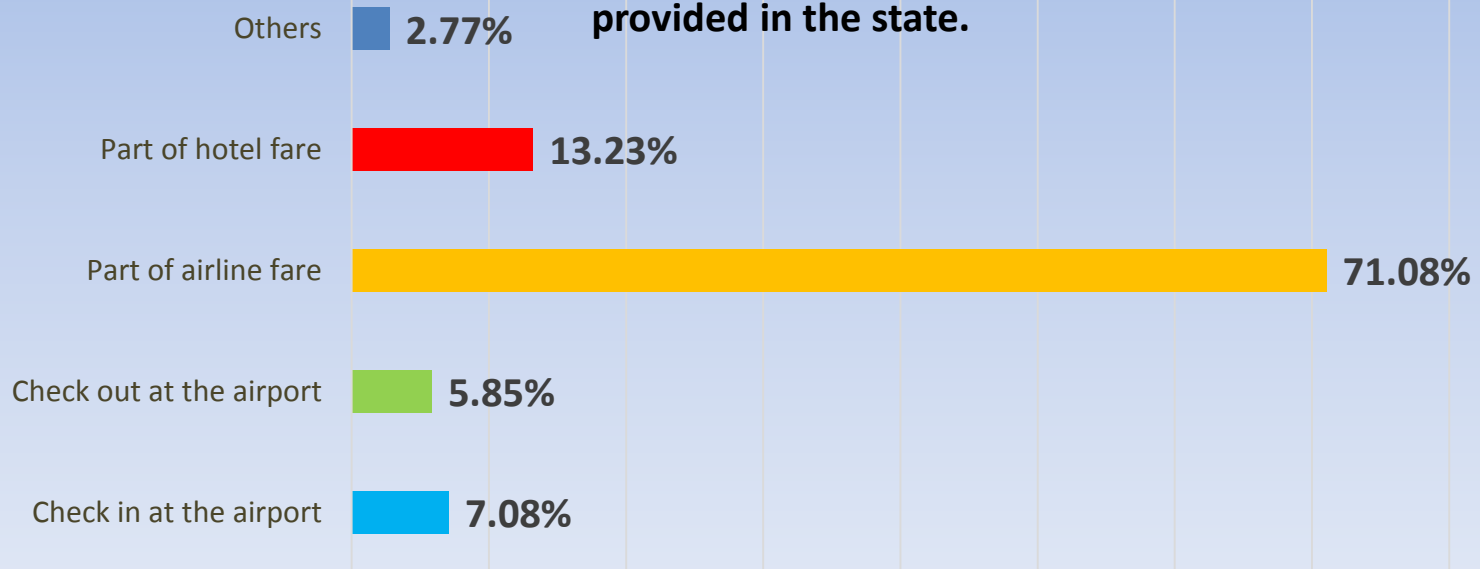
Average WTP by region of origin

Type of visitors	Average (in RM)
Non-Sabahan Malaysian	4.23
International	17.19

Visitors based on Region	Average (in RM)
Non-Sabahan Malaysian	4.23
Northeast Asia	9.42
Southeast Asia	10.58
Europe	75.84
North America	10.00
Oceania	27.86
All International combined	17.19
All visitors	8.34

Feedback: Method of Payment Collection

suggested the conservation fee as a part of charges on individual tourism services provided in the state.



Reasons for not Willing to Pay

No.	Reason why not paying	Frequency	Percentage
1	Government should fund conservation of natural resources & environment	83	54.97%
2	People paying too much taxes/ government charges already especially of late	17	11.26%
3	Services from nature should be free	13	8.61%
4	Government departments managing natural resources and the environment have been allocated much funding from the Governments (Federal & State) and international organisations like UNDP, GEF and ITTO. They do not need to get it from the individual visitors	11	7.28%
5	Do not trust the effectiveness and efficiency of how the government will use the conservation fee being suggested	10	6.62%
6	Cannot afford	9	5.96%
7	In Sabah for work-related tasks and not tourism. Do not see the justification for having had to contribute to the conservation fee.	4	2.65%
8	This will burden the tourists and the tourism industry	2	1.32%
9	Refuse to commit to answering the willingness to contribute to the conservation fee	2	1.32%
		151	100.00%

Conclusions

- **Overall, majority of visitors were willing to pay for the conservation fee (74.61%).**
- **With the international tourists more willing to contribute** compared to local non-Sabahan Malaysian visitors. Due to
 - **the strength of their currency and**
 - **the reasons of coming to Sabah.**
- Therefore it is recommended to have **two separate conservation fee rates**
 - **Non-Sabahan Malaysian Visitors**
 - **international visitors.**

Estimation of Potential Revenue

- **Rates and Scenarios based on Average WTP**
 - Non-Sabahan Malaysian Visitor: Average WTP of RM 4.23
Suggested to round up to RM5.00
 - International visitors: Average WTP of RM17.19
 - Scenario 1: RM10.00 - closer to SE & NE Asian visitors' WTP
 - Scenario 2: RM15.0
 - Scenario 3: RM20.00 - closer to European and Australian/New Zealand visitors's WTP
- **Potential Aggregate Fee Collections from all visitors based on 2016 visitor arrival**
 - Scenario 1: RM22.8 million
 - Scenario 2: RM28.4 million
 - Scenario 3: RM34.1 million

Estimation of Potential Revenue: Adjusted for collection at Airports

Visitors	95% Arrival 2016	Scenario 1 (RM 5 & RM 10)	Scenario 2 (RM 5 & RM 15)	Scenario 3 (RM 5 & RM20)
Non-Sabahan Malaysians	2,184,175	RM10,920,877	RM 10,920,877	RM 10,920,877
International	1,072,337	RM10,723,372	RM 16,085,058	RM 21,446,744
Total	3,256,513	RM21,644,249	RM 27,005,935	RM 32,367,621

Assumptions

- 1 Initial stage to collect from of visitor at airports (95%) based on 2016 statistics. The other 5% to be collected at later phase for land and sea exit points.
- 2 3 Scenarios of conservation fee at RM10, RM15 and RM20 for international visitors with RM5 for Non-Sabahan Malaysians under all scenarios.