

“Demand for Eco-tourism: Estimating Recreational Benefits from the Margalla Hills National Park in Northern Pakistan”, by Himayatullah Khan, SANDEE Working Paper No. 5-04

## Abstract

This study, which is among the first in Pakistan to value recreational benefits, estimates the benefits of establishing and managing the Margalla Hills National Park near Islamabad. The study examines how much park visitors are willing to pay to visit and enjoy the park. Annual benefits from the Park are considerable—the total annual consumer surplus or economic benefit obtained from recreation in the Park is approximately Rs. 23 million (US\$ 0.4 million). Various factors influence the value visitors obtain from the park — these include travel cost, household income, and the quality of the park. Improvements in the quality of the park are likely to increase recreational benefits by a significant 39%. The study recommends that a Park entrance fee of Rs. 20 per person be introduced, which could be utilized for park management. This would generate nearly Rs. 11 million in revenues annually, a sizable amount of money that represents about 4% of the annual budget allocated to the Environment Sector in Pakistan.

Keywords: Environmental valuation, travel cost method, total recreational value, national parks, Pakistan.