SESSION IX - Economics of Natural Resources

cost information allowed the use of a comparative damage cost assessment approach to estimate the value of ecosystem conservation and wise management in mitigating natural disasters such as tsunamis. The methodology assessed the socioeconomic impacts of the tsunami disaster on 151 coastal households at two sites—Kapuhenwala and Waduruppa. The first site is characterized with well managed and functioning coastal ecosystems; and the latter exhibits a disturbed and degraded ecosystem.

The assessment estimated a higher incidence of damage costs in areas with degraded mangrove vegetation. Results indicate that costs of damages to livelihood and property in Waduruppa (US\$ 1,377,975) are approximately ten times the costs of damages in Kapuhenwala (US\$ 173,555). The damage costs avoided appraisal suggests that threatened mangroves reduce the protection afforded to inland properties, community infrastructures and livelihood by US\$ 2,109/household. The estimate shows that areas with intact mangrove ecosystem generate greater economic benefits. The findings also indicate the economic rationale of including mangrove rehabilitation efforts in the post-tsunami reconstruction and rebuilding programs.

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An empirical investigation on the demographic characteristics of specialized visitors and their preferences to use up-country tea plantations as nature tourism sites

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Up country tea plantations have been emerging as sites for nature tourism for both local and foreign tourists who were earlier used to visit traditional tourism sites (e.g. Anuradhapura, Pollonnaruwa and Seegiriya) predominantly. In light of this, evaluation of what characteristics associated with these visitors, and to which extent, have an impact on a selection of nature tourism sites available in these plantations as their "first choice" has become important, since that information can be used to formulate a market-friendly environmental policies to promote it.

Those "specialized visitors" (*i.e.* those who visit an Up Country tea plantation for the first time based on the information they received from an external source and those who repeated) were selected as the cases for data collection (n = 120). A semi-structured questionnaire was used in this respect at seven purposely-selected entry points to the plantations located in the Nuwara-Eliya district.

Both qualitative and quantitative data analysis techniques were used. The results indicate that, in general, young people (*i.e.* 56% of sample within 20–29 years); those who married (59%); and with average house hold size of three to four members (84%); with high income level (*i.e.* 43% of sample above the Rs. 50,000 per month), and possess a degree or equivalent (60%) decided to enjoy these sites. Majority of them were employed at private sector enterprises as middle to top-level managers. In terms of reasons for their visit, about 63 percent of visitors indicated aesthetics/scenic beauty followed by bird watching (52%), forest trekking (46%), mountain climbing (44%), hiking (42%) and safari (30%). Regarding the existing facilities at these sites, about 60 and 91 percent of local and foreign visitors, respectively, were satisfied. Several visitors (45%) proposed that the existing infrastructure facilities to be improved. With respect to entry fee, 65 percent of the visitors preferred to make the payment as a whole and rest as a small entrance fee with an additional fee for each activity. The results highlight that government agencies should cooperate with plantation companies to promote nature tourism as a viable non-crop diversification mechanism.