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Estimating the Consumer Surplus of Enjoying the Visitor Facilities at Beddagana Wetland Park in Sri Lanka

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Beddagana Wetland Park (BWP) is the first wetland park in Sri Lanka situated in Colombo. This wetland ecosystem has proven to be an important recreational site in the greater Colombo area in the face of the growing demand for urban recreational amenities. It provides a wide spectrum of use and non-use benefits including production, hydrological and ecological values. The wetland suffers from both inadequate recognition of these benefits and poor representation in the recreational sites in Sri Lanka. Due to market failure, BWP has been undervalued and arbitrarily the entrance fee has been determined. The main objectives of the study are to estimate local visitors' consumer surplus and to determine their mean willingness to pay (WTP) for the new visitor facilities to be established at BWP. Individual Travel Cost Method (ITCM) approach was used to estimate the consumer surplus. A visitor survey was carried out on site to collect travel costs and other socio-economic information in 2017. The sample size was 218 respondents. A demand function was derived and the consumer surplus of enjoying visitor facilities was calculated was LKR 1042/-. A recreational scenario was developed and the mean willingness to pay as the entrance fee was calculated as LKR 18.15. The findings indicate that the BWP generates an annual Consumer surplus of LKR 43.35 million to people who use the area for recreation. If the estimated WTP for the proposed visitor facilities was added to the existing entrance fee the annual revenue will be LKR 4.91 million per year. The study concludes that BWP should be protected and developed as a recreational site in Colombo.

Keywords: Consumer Surplus, Individual Travel Cost, Willingness to Pay, Urban Recreation