Framework for Economic Valuation of Natural Resource at Kilim Geopark, Langkawi, Malaysia

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Abstract

Natural resources include the physical and biotic environment such as the forests, water, minerals and etc, which are existed naturally in a place which can be utilised by people. These resources normally located in rural areas, also popular settings for outdoor recreation and tourism. Kilim Geopark, Langkawi, Malaysia is one of a popular rural tourist destination in country. The location has been visited by tourist all over the world due to its unique natural characteristics. The active tourism somehow had its impact onto the economic growth of surrounding rural area. Nevertheless, although the tourism activity has becoming wide and vigorous but the actual economic value for that area remains unknown. Using Kilim Geopark as the study site, this paper is to demonstrate a theoretical framework of economic approach to put value to the natural resources as rural tourism destination. Knowledge on the value is essential since the area is protected from any kind of extraction. Hence, an alternative value would be useful. Moreover, the economic value provides a kind of measurement to justify cost of establishment and maintenance of the area. Not only the estimated value of Kilim Geopark helps government on policy making of rural tourism development but also reveals that the past investments in Kilim Geopark are worthwhile.

Keywords: Economic value estimation, consumer surplus, demand theory