

Do African parks charge adequate entrance fees?

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National parks in Africa can potentially generate more revenue. This could reduce their reliance on fiscal transfers to fund conservation activities in an environment in which funding from the government is decreasing. At the same time, it may help justify the continued existence and expansion of the national parks estate. Entrance fees are a significant revenue item for national parks. However, the number of studies giving guidance on setting entrance

\$255 per trip (which translates to \$79 million to \$94 million per year for all international tourists to KNP visiting the park at the time of the survey). The average trip for the respondents in our survey was 3.3 days. We then used statistical methods and actual overseas tourist arrivals at KNP to estimate the consumer surplus that could be extracted from tourists through price increases without adversely affecting total revenue. Our analysis suggests that park authorities can

International Tourists in Developing Countries: Evidence from South Africa”, *Journal of Environmental Economics and Policy*, pp. 243-260. In this travel cost study we found the daily revenue-maximising entrance fee for KNP to be \$60. This is comparable to fees charged at other large African parks such as Amboseli (\$60), Maasai Mara (\$70) and Serengeti (\$60) National Parks.

At the same time as advocating higher entrance fees for

BY ANALYSING PRE-COVID DATA AND TRENDS, THIS STUDY SUGGESTS THAT PARKS SUCH AS THE KRUGER NATIONAL PARK CAN TRIPLE ITS ENTRANCE FEES FOR INTERNATIONAL TOURISTS, WITHOUT COMPROMISING VISITATION ACCEPTABILITY.

fees for national parks in developing countries is limited.

Our work aimed to inform the appropriate setting of entrance fees for international tourists. In order to provide the key ingredients required to determine an appropriate entrance fee, we first determined international tourists' willingness to pay (WTP) for future visits to KNP. WTP was estimated through an onsite survey of overseas tourists during 2014 (pre-COVID) administered at Skukuza, Crocodile Bridge, Lower Sabi, Pretoriuskop, Berg-En-Dal, Malelane and Satara rest camps. WTP measured in this way was substantial, ranging from \$216 to

comfortably increase entrance fees from \$23 (at the time of the survey) to \$64-\$76 per day, increasing KNP's total revenue by \$38-40 million per year. However, we found that there is sensitivity in terms of how much the entrance fee charges could be raised. For example, entrance fees above \$83 will adversely affect the park's total revenue because international tourists are not willing to pay this much.

Our estimates of WTP for future access to KNP are in line with previous work using a different research method that is reported in Mukanjari et al. (2021). "Recreation Demand and Pricing Policy for

international visitors, there are some aspects to consider. These include substitution among parks, the effect of higher fees on the length of the visit, and the possibility of unintended negative effects on businesses near the park. In addition, some parks may not generate excess revenue, let alone cover conservation costs, even with well-crafted pricing policies. The focus should therefore be on determining entrance fees that generate surpluses from popular national parks to facilitate cross-subsidization of other, less popular parks that may also contain important biodiversity.



Giraffe, a favourite of international guests. This study suggests that international guests were willing to pay considerably more to visit Kruger National Park before the COVID-19 pandemic.