UNIVERSITI PUTRA MALAYSIA

ESTIMATING THE ECONOMIC BENEFITS OF URBAN TREES USING CONTINGENT VALUATION METHOD

YEÖ SOK CHENG

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ESTIMATING THE ECONOMIC BENEFITS OF URBAN TREES USING CONTINGENT VALUATION METHOD

By

YEO SOK CHENG

Thesis Submitted to the School of Graduate Studies, Universiti Putra Malaysia, in Fulfillment of the Requirements for the Degree of Master of Science

September 2012
DEDICATION

Especial dedicated to my beloved parents, brothers and friends.
Abstract of thesis presented to the Senate of Universiti Putra Malaysia in fulfilment of the requirement for the degree of Master of Science

ESTIMATING THE ECONOMIC BENEFITS OF URBAN TREES USING CONTINGENT VALUATION METHOD

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YEO SOK CHENG

September 2012

Chairman: Professor Awang Noor Abd. Ghani, PhD

Faculty: Forestry

Urban trees provide multitude of tangible and intangible services, which include provisionary, regulatory, cultural and support services to the community. Urban trees are important in reducing the environmental quality impacts such as air pollution. Unfortunately, to set a monetary value on these said services is challenging to say the least. Thus, there is a lack of economic benefits of urban trees study in Malaysia. Ignorance of such monetary value is unintentional and mainly due to lack of awareness and the absence of monetary value of the services itself. Hence, the quality of these urban trees degrades over time as no one appreciates its monetary value. In light of this situation, a study was initiated to determine the economic benefits of urban trees that have been planted surrounding the Tasik Perdana (TP) area. TP is selected to be the study site not just because it is the oldest green park (urban park) and a famous recreation place as recommended by the tourism industry, but also to value the economic benefit of its urban trees. Local government is willing to spend about RM 5.6 million to manage and maintain urban green especially the urban trees. It is clear that local government attaches the importance of these urban trees. However, there is no proof or study to define the value of urban tress in this
park. To value the economic benefit of the urban trees, a total of 313 respondents were interviewed in the TP area using the contingent valuation method (CVM). The payment vehicle used in the study was an additional fund for preserving the urban trees in TP. The objective of this study is to elicit willingness to pay (WTP) for urban trees conservation. The WTP represents the willingness of a person to pay in monetary terms to secure and sustain these urban trees. Seven bid prices were used and distributed to respondents – RM 1.00, RM 5.00, RM 10.00, RM 15.00, RM 20.00, RM 25.00 and RM 30.00. Logit and linear regression models were applied to predict the maximum, mean, and median WTP.
Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Master Sains

PENILAIAN FAEDAH EKONOMI POKOK BANDAR MENGGUNAKAN KAEDAH PENILAIAN KONTINGEN

Oleh

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Last but not least, my deepest thanks dedicate to my beloved parents and brothers of their endless love and encouragement. I really appreciate what they have support to me.
I certify that a Thesis Examination Committee has met on 28th September 2012 to conduct the final examination of Yeo Sok Cheng on her thesis entitled “Estimating the Economic Benefits of Urban Trees Using Contingent Valuation Method” in accordance with the Universities and University Colleges Act 1971 and the Constitution of the Universiti Putra Malaysia [P.U.(A) 106] 15 March 1998. The Committee recommends that the student be awarded the degree of Master of Science.

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Date:

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DECLARATION

I declare that the thesis is my original work except for quotations and citations which have been duly acknowledged. I also declare that it has not been previously, and is not concurrently, submitted for any other degree at Universiti Putra Malaysia or at any other institution.

___________________________
YEO SOK CHENG

Date: 28 September 2012
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