

F-04: Analysis of economic impact of tourism with special reference to implications on coastal environmental resources in Hikkaduwa

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The main tourism attractions of Hikkaduwa are its coastal setting combined with a fine beach area, coral reefs and marine sanctuary and general physical and social environment of the town. But unplanned development, lack of

awareness, improper use of resources and the inability to regulate the haphazard development activities have led to the degradation of the coastal environmental resources and threaten the long term sustainability of tourism in Hikkaduwa.

A comparative analysis of direct benefits/costs and indirect benefits/costs revealed that the net economic benefits of tourism in Hikkaduwa was substantial. Since the tourism sector was more concerned with short term economic benefits, no proper attention has been paid to its harmful effects. Damages caused to coral reefs by overloading glass bottom boats and disposing waste and sewerage water to the sea and beach are 2 examples of such adverse impacts causing damage to environmental resources and environmental quality.

A proper management plan and strategies have to be formulated and implemented to make sure that resources are properly used in such a manner that economic benefits are maximized and adverse impacts are minimized so that the long-term sustainability of the tourism industry of Hikkaduwa is guaranteed.