

Omanis' Perceptions on the Economic and Environmental Impacts of Tourism

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Abstract

Purpose: Tourism plays an important role in the development of an economy as it increases government revenue, provides jobs, and enhance foreign direct investment. However, tourism also affects the local environment, culture, and perceptions of inhabitants. The objective of this paper is to examine the perception of Omanis on tourism and its impact on the environment

Design/methodology/approach: The paper involves structural questionnaire to study the perceptions of residents towards the tourism in Oman. The study uses convenience sampling technique to gather the data and employs statistical methods such as descriptive statistics to analyse demographic and responses of participants.

Findings: According to the findings, most foreign tourists visiting Oman are visiting family. Most of respondents agreed that tourism has a significant positive impact on Oman's economy because it creates jobs, increases non-oil exports, government revenues, and economic growth. An overwhelming majority of the respondents are willing to pay a fee at tourist attractions to help the government develop the industry. Respondents have mixed feelings on tourism effects on environmental damages and depletion, with the majority agreeing that tourism may affect positively and negatively to the environment

Originality/value: The study contributes to the literature by investigating the residents' perception towards tourism in Oman. In addition to demographic questions, the questionnaire includes questions on reasons to visit Oman, tourism fee, positive and negative impacts of tourism in Oman. The respondents have provided the feedback and suggestions to improve the tourism sector in Oman.

Keywords: Perception, Omanis, Tourism, Impact, Economy, Environment

1. Introduction

Tourism is considered one of the significant components of cross countries services. Tourism contributes to economic growth, job creation, and poverty reduction (Samimi et al., 2011). In terms of employment, the tourism industry is also important in many countries. As a result, tourism is regarded as an alternative sector that provides jobs to locals (Cetin 2016). Henceforth the sector is a key component of Oman's Economic diversification strategy. The government of Oman

anticipates a decrease in annual revenue from oil and gas in the future. This is due to the fact that oil and gas are natural resources that are being extracted at a rapid pace, and oil is forecast to be depleted in the near future (Kate, 2020). Oman discovered that they should begin relying on other sectors of the economy (other than the oil and gas sector) that have a high success rate. Tourism is among those sectors listed for economic diversification in the Oman Vision 2040. (2021). Oman places a high value on tourism development as it would provide jobs and brings innovation, investment, and transfer of knowledge to the country. Oman has a diverse range of tourism-related products to offer the world, including culture, history, and nature. For example, Oman has extensive cultural and archaeological resources, and sites (Cetin and Al - Alawi, 2018).

In terms of revenue contribution to the national economy, tourism is one of the fastest growing non-oil industries. Prior to the pandemic, Oman's tourism sector had been steadily growing in recent years. The sector currently accounts for 2.5 percent of GDP and is becoming increasingly important in attracting foreign investment and creating local job opportunities. Under Vision 2040, the sector is expected to contribute significantly, accounting for 6% of GDP with target of more 5 million inbound tourist (Times of Oman, May 2021). The ministry of tourism in Oman have already set goals to attract more that 5 million international tourists into Oman by the year 2040, (Travel and Tourism News Middle East (2016). According to the National Centre for Statistics and Information (NCSI), tourism sector as whole provided around RO 1.293 billion to the Omani economy in 2019, up from RO 1.233 billion in 2018. In 2027, the sector is expected to generate nearly OMR4 billion. According to Prabhu (2021), the tourism sector is expected to generate \$50 billion in revenue and 9 percent of GDP in 2040. Employment in the sector increased from 72,500 in 2017 to 74,000 in 2018, with employment expected to increase to 106,000 in 2027 (Cetin and Al - Alawi, 2018).

Oman received nearly 3.5 million visitors prior to the COVID-19 pandemic. However, the Pandemic had a significant impact on the industry, with visitor numbers dropping by 75% to 875,000. Despite this, many incentives and processes have been implemented to reduce the impact of the coronavirus. Over the next three years, the Oman government plans to invest OMR3 billion in Oman's tourism sector, with the hope that this investment will allow the sector to contribute to the GDP growth, employment, and provision of leisure opportunities to the people. The tourism activities also effect environment, perceptions of residents and local culture. The objective of this paper is to examine the perception of Omanis on tourism and its impact on the environment.

2. Review of Literature

Concept of Tourism

Tourism is an act of spending time away from home in quest of leisure, religion, and business activities, etc. (Walton, 2021). It involves a wide range of economic activities such touring, attraction business, accommodation and service providing to tourists. It is also a showcase of the natural resources, local attractions, facilities, and a variety of unique services countries offer to visitors. Likewise, tourism attracts huge investment in tourism-related sectors such as infrastructure development, hotels, and resorts, restaurants, shops, building highly advance airports and transport systems, an improvement on social goods such as health, education, and the country's image. On the other hand, traveling is a great source of personal growth; visiting different places changes one's vision and perception of world affairs. Travelling also helps people to interact with different realities, customs, and cultures (Oman Observer, May 2021).

People travel to different places because of the push and pull factors. These factors differ depending on people's opinions, so what one person might view as a pull factor, others may see it

as a push factor. Countries that are heavily dependent on the tourism industry usually have more pull factors. Different countries attract people in different preference areas, for instance people who require good health facilities would travel to India because they are known for having good doctors and health care systems, this type of tourism is known as Health care tourism. However, in Oman, the two biggest types of tourism are family and leisure tourism.

Tourism Product in Oman

According to Oukil et al. (2016), Oman ministry of tourism classified tourism product in Oman in three areas: nature, culture and activities. The nature includes valleys, rivers, reserves, and lagoons etc. The cultural tourism include traditional villages, caves, forts and religious sites. Scuba diving, boating and other activities could be included in the activities tourism.

Oman is culturally, historically, and naturally rich. It has extensive cultural and archaeological resources, with 748 major archaeological sites and over 2660 archaeological and historic buildings and landmarks spread across the country (Oukil, et al. 2016). Oman, despite its small size, has many sites on the list of UNESCO World Heritage Sites. Oman is unique in the region due to the accumulation and concentration of these assets (Ghani, 2006). The country's natural beauty and diversity have been recognized in every district of the country, from the ancient fjords of Musandam to Jebel Akhdar, which is located at the top of the Hajar Mountain range and offers cooler weather, old villages, canyons, terrace plantations, and other undiscovered adventure for tourism (Cetin and Al - Alawi, 2018). Oman also has the most stunning coral reefs, which extend 530 square meters into the Indian Ocean. More than 500 different fish species live on the coral reefs there (Oman Observer, 2021).

Impact of Tourism Sector on Economic Growth and Development

Tourism has surpassed food and automotive products to become the world's third-largest export industry, trailing only fuels and chemicals (Rasool, et.al. 2021). Tourism enhances economic growth by strengthening exports and foreign reserves, promoting investment in new infrastructure and human capital, and increasing competition (Blake et al. 2006), promoting industrial development, job creation, and income growth (Lee and Chang, 2008). Positive externalities are also generated by inbound tourism (Andriotis, 2002).

Tang et al (2016) found that tourism and economic growth have a positive impact on energy consumption, and that tourism and economic growth are associated with tourism, which has a significant impact on economic growth. According to the WTTC report (2021), prior to the pandemic, travel, and tourism (including direct, indirect and induced impacts) accounted for a quarter of the world's total job creation, 10.6% of all jobs (334 million) and global GDP. It accounted for 10.4% (\$ 9.2 trillion) of the total.). Meanwhile, foreign visitors spent a total of US \$ 1.7 trillion in 2019 (6.8% of total exports and 27.4% of global service exports). According to the report, the pandemic has lost nearly \$ 4.5 trillion in the travel and tourism sector, and its contribution to GDP has declined by a staggering 49.1 percent compared to 2019. In 2020, 62 million jobs were lost, down 18.5%. Compared to 334 million in 2019, only 272 million are still employed worldwide.

Impact of Tourism Sector on Environment

Globally, the tourism industry has been blamed for contributing to pollution, degradation, and climate change. Tourism necessitates a significant amount of transportation and lodging because travellers must move from one location to another; thus, tourism is consumed at the expense of

environmental degradation because the tourism sector emits the most of carbon dioxide and greenhouse gases (Anwar et al., 2021; Shengdong et.al, 2021). Furthermore, Tourists litter the land, which causes forest fires, threatens habitats in specific zones, and creates a vulnerable situation by endangering species, particularly those living in forest areas (Sunlu, 2003).

The construction of tourism-related projects such as hotels and resorts, recreational facilities, parks, and roads destroy forests, and the sewage system has a negative impact on the quality of groundwater, causing major concerns for humans as well as both flora and fauna. This is especially true for coastal tourism, where sewage inflow has a negative impact on water quality and causes water pollution by changing the salinity and transparency of the water. Thus, marine and coastal tourism contribute to a variety of potential threats by discharging solid, liquid, and semi-solid hazardous materials into bodies of water such as rivers and the sea (Davies and Cahill, 2000).

While tourism appears to provide numerous benefits to a country, it also has significant drawbacks. As Oman's tourism industry expanded, so did its greenhouse gas emissions. On an annual basis, the tourism industry in Oman contributes 8% of total greenhouse gas emissions. According to research and analysis, local tourists in Oman are solely to blame for the increase in carbon dioxide emissions, which increased from 3.9 billion tonnes in 2009 to 4.5 billion tonnes in 2013. Further predictions have been made regarding this issue, with prediction that carbon dioxide emissions will increase to 6.5 billion tonnes by 2025, according to the Oman Observer (2021).

3. Methodology

A survey was used in this study to investigate Omanis' perceptions of tourism and its impact on the environment. A survey is an effective way to gather information about people's attitudes and opinions (Burns and Bush, 2000). Public opinion survey research, according to Larsen, et. al. (2020), is the most efficient method for gathering information about a large group of people. A researcher can gather data on the opinions, perceptions, and observations of a small, representative subset of a population to generalize to the entire population. A survey monkey was used to distribute questionnaires to 120 respondents. It was convenient sources of data for researchers, so a convenient sampling technique was used (Sekaran and Roger 2016). A total of 112 questionnaires were returned as valid and complete. As a result, the response rate was 93 percent. Descriptive statistics are statistical tools that are used to analyse data.

4. Finding and Discussion

Demographic Profile of the Respondents

Most respondents (59%) were female, while 41 percent were male. Most respondents (79%) were between the ages of 21 and 30, with 5% being under the age of 20, and only 16% being over the age of 30. Seventy-one percent of those polled are graduates, ten percent are postgraduates, and the rest hold diplomas or senior high school diplomas. Most respondents (67%) earn less than 350 R.O, 13 percent earn between 350 and 6000 R.O, 12 percent earn between 600 and 1500 R.O, and only 8 percent earn more than 1500 R.O. This survey reflects the opinions of young, educated Omanis.

Reasons for Foreign Visit to Oman

According to Figure 1, the main reasons for foreigners visiting Oman are family visits (54.4 percent), leisure (25 percent), and business (18 percent). This is especially true given Oman's strong cultural and familial ties to East African, Iran, and UAE. This is consistent with previous research. According to Omar (2018), Oman colonized Zanzibar for centuries, resulting in

interaction between two cultures and the formation of family ties. However, in the aftermath of the Zanzibar revolution in the 1960s, family members were separated. As a result, we see a rise in family tourism, particularly from Zanzibar to Oman. Another trend in family tourism is from Iran to Oman, as some Omanis have strong family ties to Iran. The Baluchi tribe, which originated in Iran, is now one of Oman's largest tribes.

Table 1: Demographic Profile of the Respondents

| Demographic Information | | Frequency n = 112 | Percentage |
|-------------------------|-------------------|-------------------|------------|
| Gender | Male | 46 | 41 |
| | Female | 66 | 59 |
| Age | 18 & below | 6 | 5 |
| | 19-30 | 88 | 79 |
| | Above 30 | 18 | 16 |
| Education | Diploma | 20 | 19 |
| | Bachelor's Degree | 80 | 71 |
| | Postgraduates | 12 | 10 |
| Income Per Month (OMR) | Under 350 | 75 | 67 |
| | Between 350-600 | 15 | 13 |
| | Between 600-1500 | 13 | 12 |
| | Above 1500 | 9 | 8 |

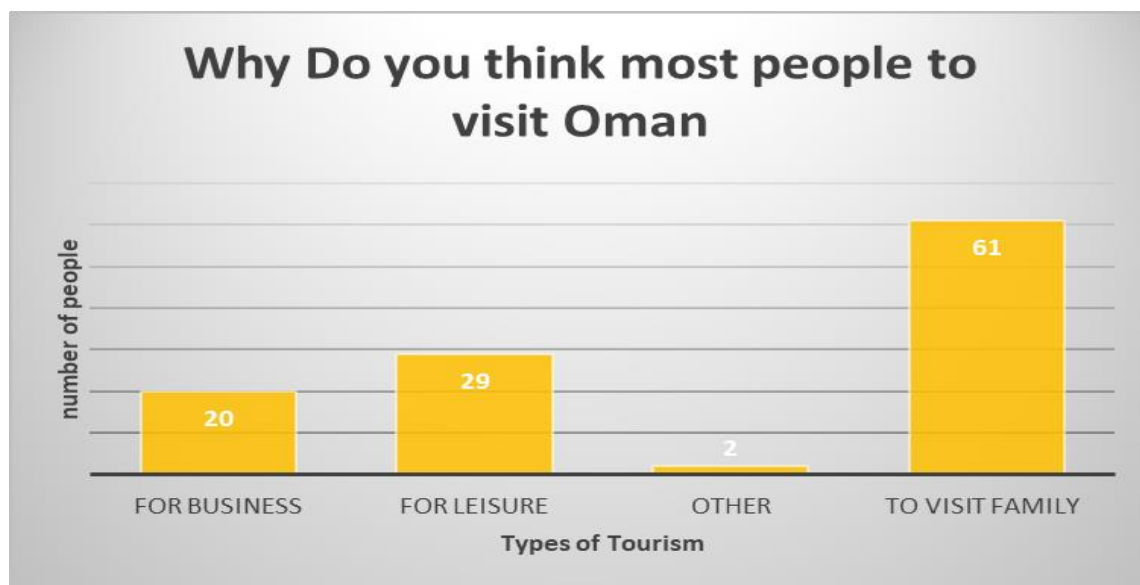


Figure 1: Reasons for Foreign Visit to Oman

Perception of Respondents on Impact of Seasonal Tourism on Economy

Figure 2 shows that most respondents (70 percent) believed seasonal tourism has a positive impact on the economy in terms of employment, exports, infrastructure development, and economic growth. Only thirty percent (30%) of those polled agreed that tourism has a negative impact on the economy. The findings are consistent with previous studies such as (Tang, et.al. 2016, Rasool,

et.al. 2016), etc. According to Fanack (2018), successful development of the tourism sector will act as a buffer against the negative effects of fluctuating oil prices, and the industry will provide direct and indirect employment, especially given Oman's high youth unemployment rate. One of the most significant disadvantages that most countries face with tourism is the fact that it has seasons. That is, a county will expect a high rate of tourist inflow for only a few months out of the year. This has been observed to cause a number of issues, particularly in the employment sector (Audley, 2021). What will happen in the coming months? People working in the tourism industry may face seasonal challenges from May to August. Employees in businesses such as hotels will be laid off for a period of time as a cost-cutting measure in order to survive the difficult times. Seasonal unemployment also means that some economically active people in Oman will be unable to earn a living for a few months. Some economically active people end up living below the poverty line in extreme cases. In this situation, a negative multiplier effect could occur, causing Oman's development to slow.

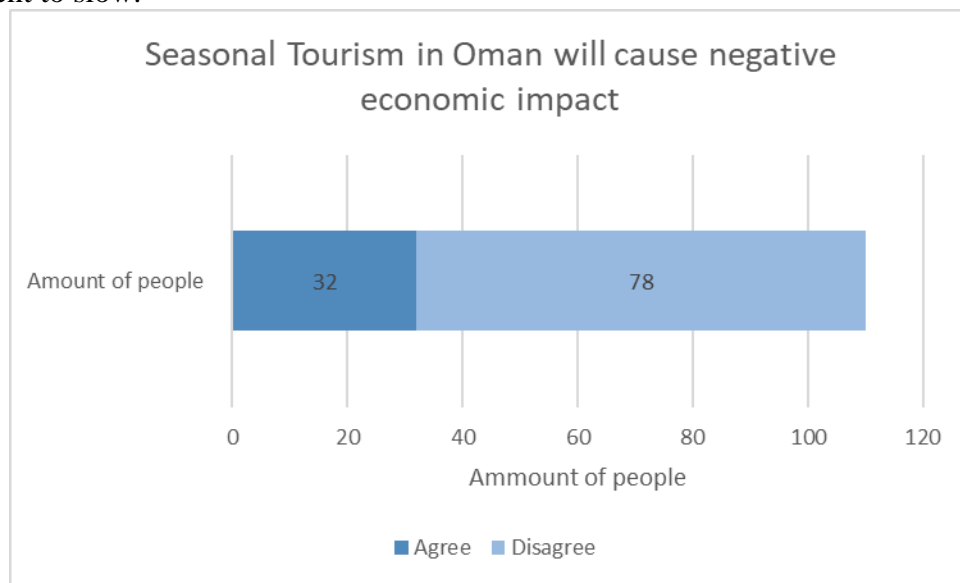


Figure 2: Perception of the Respondents on Seasonal Tourism

Perception of Respondents on Imposition of Fee for Tourist Sites

More than half of those surveyed (51%) agreed that the government should levy a fee at tourist attractions. While 49 percent of the respondents disagreed.

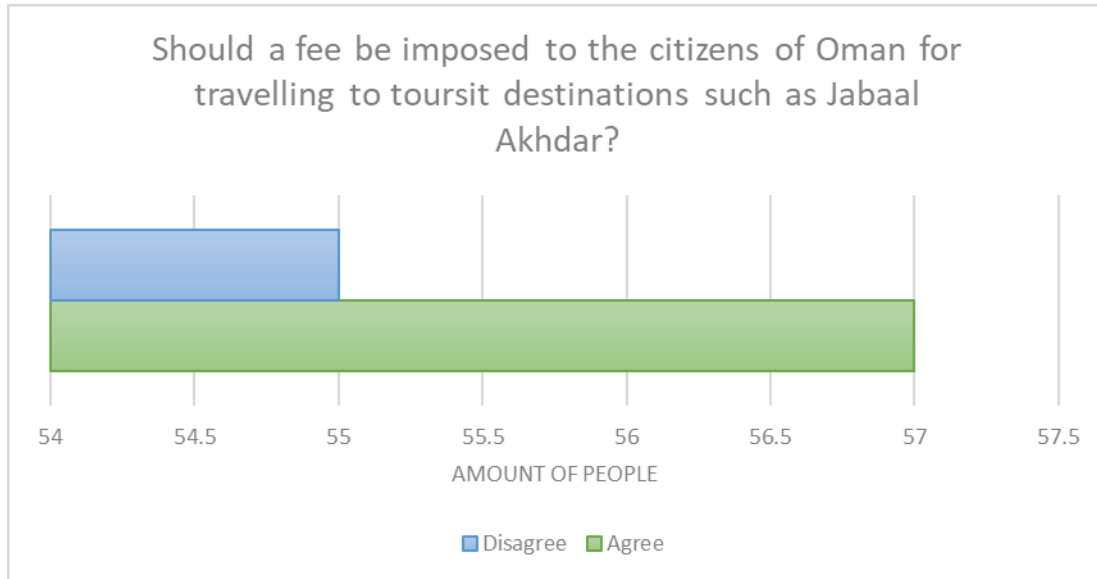


Figure 3: Perception about Imposition of Tourist Fee

Most respondents (80%) agreed that the fee should be less than 5 Riyals. One of the reasons for this is that internal tourism contributions will help the government develop the industry. Tourist destinations such as Jabaal Akhdar receive over 200,000 domestic visitors each year. If the government imposed a 5 OMR (entrance fee) per internal tourist to enter Jabaal Akhdar, the government would generate a minimum revenue inflow of 1 million OMR per year from just one site.

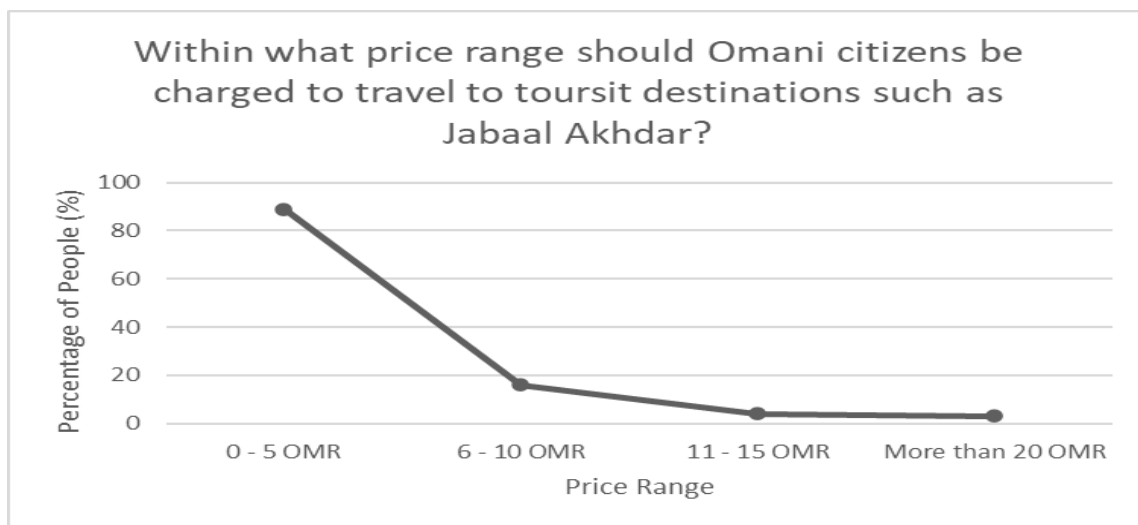


Figure 4: Tourist Fee Structure

Perception of Respondents on the Impact of Tourism on the Environment

Figure 5 depicts the respondents' differing perspectives on the environmental impact of tourism. The figure reaches a high of three, with more than 45 people. This indicates that majority of people believe that tourism will have an impact on the environment in Oman, either positively or negatively. Less than 10% of respondents believed that tourism has a minimum effect on the

environment, while more than 28% agreed that tourism has a significant negative impact on the environment. This finding is in line with previous research (Anwar et al., 2021; Shengdong et.al,202, Sunlu, 2003).

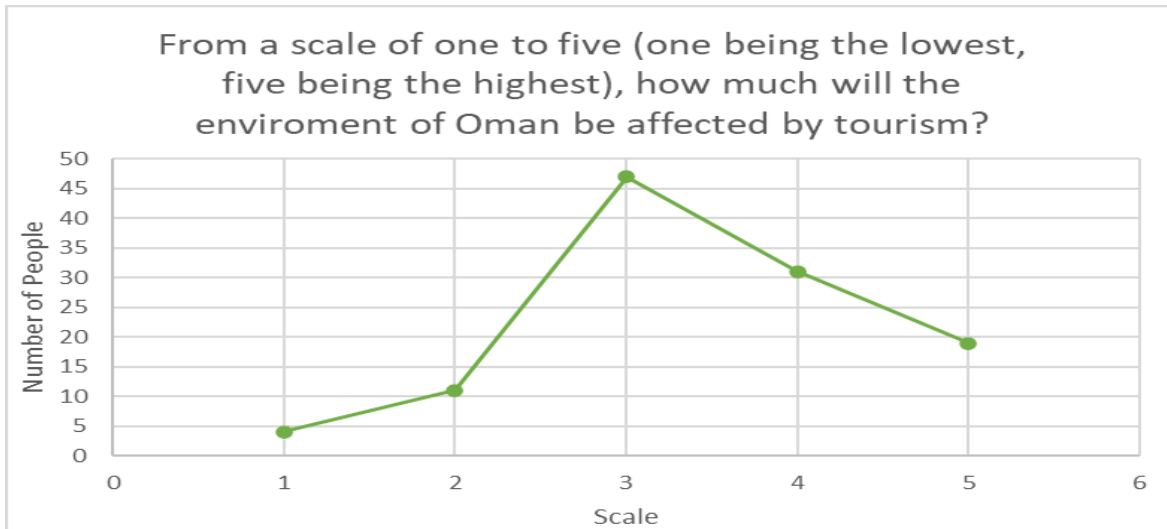


Figure 5: Impact of Tourism on Environment

Perception of Respondents on Government Regulation on Environment Protection

Figure 6 depicts the various methods Oman government can use to help protect the environment from tourism damage. Imposing taxes on the tourism industry was the least popular option, chosen by only 7% of respondents. Setting a limit on carbon emissions in the tourism industry was the second least popular option, with 14 percent of votes cast. Thirty-seven percent of the respondents supported government investment in clean energy. However, most people chose all of the above. Using multiple strategies to address environmental issues would be the most efficient way to deal with such a problem.

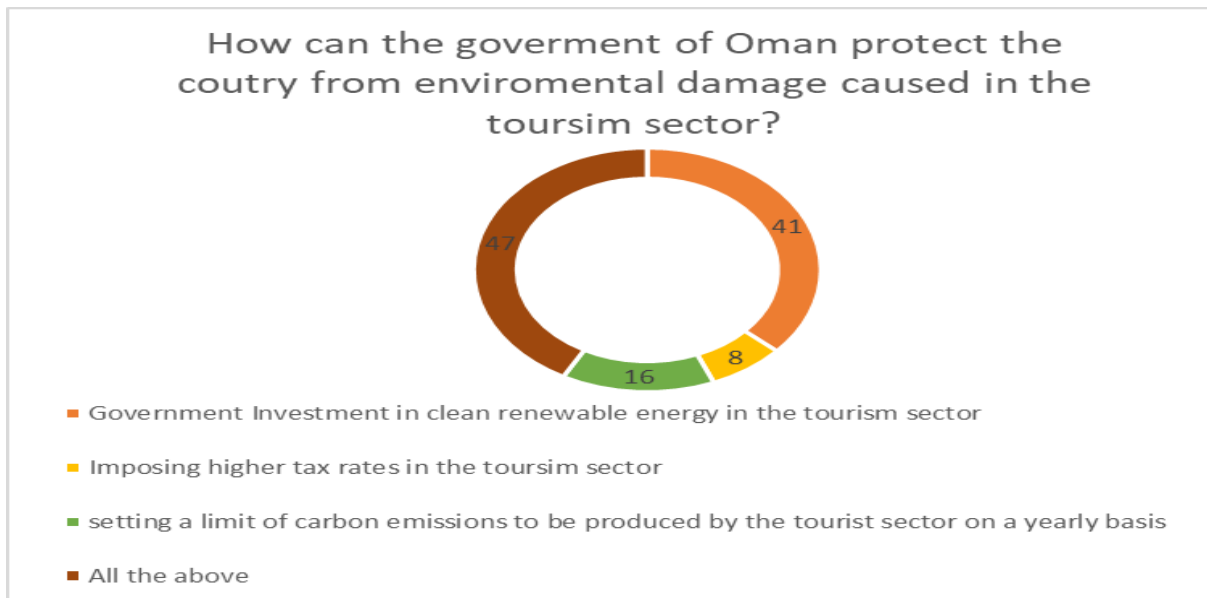


Figure 6: Strategies to Protect Environment

5. Conclusion

Tourism is a key component of Oman's economic diversification strategy. There is no doubt that the sector has a bright future, with a significant contribution to Oman's GDP and employment by 2040. The study investigates Omanis' perceptions of the impact of tourism on the economy and the environment. Most foreign tourists visiting Oman are visiting family. Most respondents agreed that tourism has a significant positive impact on Oman's economy because its development will create jobs, increase non-oil exports, government revenues, and economic growth. Most people do not mind paying a fee at tourist destinations to help the government develop the sector. However, when it comes to the impact of tourism on the environment, respondents have mixed feelings, with the majority agreeing that tourism can have both positive and negative effects on the environment. Most respondents thought the government should use a combination of strategies, such as taxing the tourism industry, investing in clean renewable energy, and imposing carbon emission limits on the industry to protect the environment.

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