



# The disengagement of the tourism businesses in ecotourism and environmental practices in Brunei Darussalam



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## ARTICLE INFO

### Article history:

Received 13 October 2013

Accepted 10 December 2013

### Keywords:

Sustainable tourism  
Ecotourism  
Environmental practices  
Industry perspective  
Brunei Darussalam

## ABSTRACT

Brunei Darussalam is a peaceful and prosperous nation in Southeast Asia, sheltered from heavy industrialisation and excessive exploitation of its natural resources. Decades of dependence on oil and natural gas have brought wealth, but at the same time placed the small nation in a dilemma over the failure of its economy to diversify. Tourism has been distinguished as one of the key areas which can remedy the country's economic condition. Adamant in embracing sustainable development – development that promotes the quality of life of people, economic prosperity and environmental protection – the country is keen to ensure that it adopts a sustainable approach to developing its tourism industry. This paper attempts to identify the prospect as well as challenges of sustainable tourism in Brunei Darussalam from the perspective of the business organisations or enterprises in the tourism industry, based on data that were collected from a survey conducted among travel, transport, hospitality and visitor attraction sectors in the country.

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## 1. Introduction

Brunei Darussalam is situated on the north-western coast of Borneo. It shares the island with the Malaysian states of Sabah and Sarawak, as well as the Indonesian province of Kalimantan, all of which are established tourism destinations. Brunei Darussalam is a relatively small country with a land area of 5765 km<sup>2</sup>. It is surrounded on the north by the South China Sea, and on all the other sides by Malaysian state of Sarawak which splits Brunei Darussalam into two detached enclaves, that is the eastern part, which is Temburong District, and the western part which consists of Brunei-Muara, Tutong and Belait Districts. Besides its small land mass, the country also has a small population of 411,000 people (Roslan, 2011), with a mixture of several indigenous and non-indigenous groupings, dominated by the Malay ethnic community.

Brunei Darussalam has been heavily reliant on petroleum and natural gas as its source of revenue since the late 1920s. The country produces crude oil, petroleum products and liquefied natural gas that are exported mainly to Japan, Korea, Thailand, Singapore, Philippines, Taiwan, Australia, United States of America and Malaysia. The overwhelming dominance of the oil and gas industry, which accounts for more than 90% of the country's export earnings, has resulted in the lack of progress in economic diversification (Bhaskaran, 2010; Crosby, 2007). Furthermore, the economy's dependence on oil and gas resources has resulted in the fluctuations of the country's gross domestic product growth, reported to be between 1.3% and 2.7% in

2011 (Bandial, 2012), which is relatively poor compared to its Asian neighbours (Crosby, 2007). Although the oil and gas sector is a major contributor to Brunei Darussalam's economy, it only employs 4% of the total workforce. The government sector is the largest employer in Brunei Darussalam accounting for 57% of the country's labour force (Crosby, 2007), whilst 66% of workers in the private sector, including the tourism sector, consist of foreigners (Noor, 2013). This is worsened by the fact that official statistics recorded an unemployment rate at 2.6%, though it was reported that this figure could be higher (Bandial, 2011). Apprehension over the non-renewable nature of these fossil fuels and the fact that they are fixed in supply has forced the government to lay greater attention on tourism, among other sectors, towards diversifying the nation's economic base (GBD, 2007; KPMG, 1998; OBG, 2013; WTTC, 2011).

Taking the above issues into consideration, tourism has the potential to play a small but critical role in the economy of Brunei Darussalam. It has been identified as one of the mechanisms that can hasten the country's economic diversification process, provide employment opportunities, increase revenue from foreign currency exchange, help enhance the image of the country and its international relations, and thus contributing towards a better quality of life for its population (GBD, 2007). Brunei Darussalam has considerable strengths for the development of tourism, which include political stability, a well-resourced and competent government, well-maintained infrastructure, low crime and corruption, strategic position in Southeast Asia, pristine rainforest and a rich cultural heritage (Bhaskaran, 2007; KPMG, 1998). The emphasis on developing the tourism sector is also evident in the country's decision to join the World Tourism Organisation (UNWTO) in November 2007, which it hoped will increase the international profile of Brunei Darussalam as a tourism destination (Brunei Tourism, 2007).

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**Table 1**  
Tourist arrivals in Brunei Darussalam.

Year	Number of tourists
2007	178,500
2008	225,800
2009	157,500
2010	214,300
2011	242,000
2012	241,426

Sources: The Official Website of the Association of South East Asian Nations (ASEAN) (2012), OBG (2013).

The government intends to develop sustainable, reasonably small-scale tourism, instead of mass tourism. It is keen to ensure that a large portion of its land is still covered with primary tropical forest, and therefore, has developed interesting and unique protected areas such as the Ulu Temburong National Park and Tasek Merimbun Heritage Park, for visitors. Ecotourism has been identified as a suitable form of tourism to be developed in Brunei Darussalam, in view of its vast, pristine and untouched natural areas, and the government continuous support to maintain its precious environment (Ahmad, 2011; GBD, 2007). This has been underscored through the signing of the declaration on the Heart of Borneo (HOB) initiative on the 12th February 2007, which aims to establish a network of transboundary protected areas across the borders of three Bornean states of Brunei Darussalam, Malaysia and Indonesia. The HOB initiative covers an area of 220,000 km<sup>2</sup> of equatorial rainforest and rich biodiversity (Ibrahim, 2007). Brunei Darussalam has allocated 58% of its forest area in the collaborative project, which it hopes to benefit from tourism activities.

The pace of tourism development in Brunei Darussalam has been rather sluggish, even though it has already established some of the support facilities and services necessary for tourism, such as accommodation, banking, communications, transport, and visitor attractions. As a new player to the tourism sector, Brunei Darussalam manages to capture a small but growing portion of the global tourism market. The number of tourist arrivals into Brunei Darussalam has been fluctuating over the past few years (refer to Table 1). In comparative terms, this figure is very low for tourism in the region. According to The Official Website of the Association of South East Asian Nations (ASEAN) (2012), Brunei Darussalam received the smallest number of tourist arrivals for 2010 with only 0.29% of total tourist arrivals in South-east Asia, covering Cambodia (3.40%), Indonesia (9.50%), Laos (3.41%), Malaysia (33.32%), Myanmar (1.07%), Philippines (4.40%), Singapore (15.78%), Thailand (21.61%) and Vietnam (6.85%). Brunei Darussalam's tourism industry is believed to directly account for only 1.7% of the country's gross domestic product, which amounts to BND 320.6 million (WTTTC, 2011) (1 BND = 0.796580 USD in Mar 2012).

The very insignificant contribution of tourism to Brunei Darussalam's economy indicates the small size of the tourism industry (Ahmad,

2008). Tourism businesses and enterprises in the country will continue to be small as it is a deliberate policy of the government to have a reasonably small-scale but sustainable tourism sector. It is the purpose of this study to find out how the tourism business organisations perceive the development of tourism in the country and the prospect of their business gaining from this industry given the limited market. In addition, this study is also interested in examining the tourism business organisations' awareness on the environment. Several studies have been done on the environmental protection practices of the tourism industry, however, quite a number of them focused on the accommodation or hotel sector (Bohdanowicz, 2006; Erdogan & Baris, 2007; Tzscentkea, Kirka, & Lynch, 2008). This study does not just focus on the accommodation sector, but also includes other businesses in the tourism industry. There have been very little studies done on tourism development in Brunei Darussalam. This paper serves as an interesting case study of a wealthy developing country that aspires to develop sustainable tourism in an attempt to diversify its economy whilst maintaining its pristine natural environment.

## 2. Research methodology

A total of 86 respondents from the tourism industry were surveyed, which involved 15 respondents from the travel sector, 20 respondents from the transport sector, 28 respondents from the hospitality sector, and 23 respondents from the visitor attraction sector. These figures are considered high in comparison with the 1996 survey conducted by the Department of Public Policy and Administration (DPPA) which obtained 23 respondents from the tourism industry. One may argue that the number of businesses in the tourism industry may have increased over the years, which is also true in the case of Brunei Darussalam. Conversely, the increase has not been significant, as tourism development has been slow to take off in the country (Ahmad, 2008).

The self-completed survey was designed using the questionnaire developed by DPPA (1996) who carried out their survey on the tourism industry, with additional questions included. The survey was written in English, and was divided into 5 sections covering the organisation's profile, and the industry's perception on the status of tourism, ecotourism, environmental practices, and other contemporary issues. The study proceeded with the collation and analysis of data using SPSS software.

The tourism organisations studied varied in size, from small enterprises with 3 employees to large firms employing around 200 people. The persons surveyed also differed from those holding positions at lower levels, such as bus drivers and tour guides, to those at the higher management levels, such as operations managers and executive directors. Similarly, the length of operation of the tourism businesses participating in the study ranged from those that were less than 5 years, to those that have been in the industry for over 10 years. Being in the tourism industry, the tourism organisations offer all sorts of facilities and services, including transportation, accommodation, catering, visitor

**Table 2**  
Level of satisfaction with selected tourism products and facilities (percent).

Product/facilities/services	Very satisfactory	Satisfactory	Neutral	Unsatisfactory	Very unsatisfactory
Accommodation	50.0	39.7	8.6	1.7	–
Ground transport (bus, taxi)	12.1	34.5	25.9	24.1	3.4
Airport facilities	17.2	48.3	25.9	8.6	–
Tour guides	15.5	46.6	27.6	10.3	–
Telecommunication	36.8	43.9	14.0	5.3	–
Banking/currency exchange	31.7	46.0	17.5	3.2	1.6
Tourist attractions	20.7	34.5	37.9	6.9	–
Handicrafts/souvenirs	15.9	36.5	27.0	9.5	3.2
Shopping	8.6	39.7	41.4	10.3	–
Entertainment	7.4	31.5	42.6	14.8	3.7

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