

WEEKEND JOURNAL.

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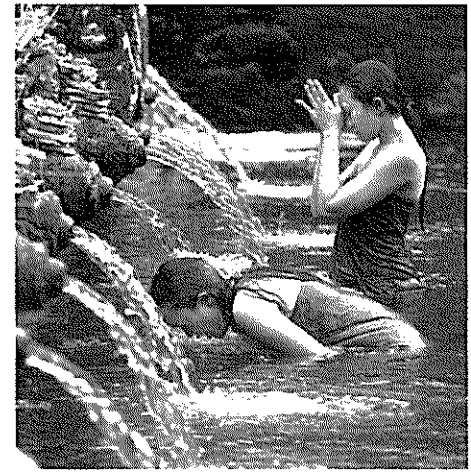
Trouble in paradise

Is Bali choking under unbridled construction and long traffic jams?



Charlie Cole for The Wall Street Journal (2)

Bali's idyllic landscapes, top, are a magnet for tourists. But, above, is the island suffering from too much development, too fast?



By JOE COCHRANE

Bali, Indonesia

The journey by taxi from Bali's Ngurah Rai International Airport to the popular tourist areas of Kuta Beach and Seminyak is less than four kilometers, but can take up to a frustrating hour if visitors arrive at the wrong time of day. It's a stop-and-go drive with the air-conditioning on full-blast as cars, delivery trucks, buses and motorbikes jostle and honk along narrow roads built in the 1980s, when Bali was still mainly a backpacker and budget destination.

The route is lined with stores selling designer furniture for villas owned by foreigners and rich locals, as well as bars, stores selling fake designer clothes, and fast-food chains. Balinese workers busily wash down sidewalks and sweep up crushed beer cans, food wrappers, the odd rubber sandal and other detritus.

This is paradise, called the "island of the gods" by locals because of the estimated 20,000 Hindu temples and shrines, where visitors are drawn by a gentle vibe, great beaches, excellent surf and a thriving tradition of local arts, music and dance.

A record 2.3 million foreigners visited Bali in 2010, nearly double the number in 2002, a painful year in Bali's psyche: Two bombs set off by Muslim extremists at a bar and nightclub in Kuta one October Saturday night killed 202 people.

The island has rebounded strongly from it, as well as a second terrorist bombing in 2005. Most of the visitors today are from Australia, which lost a total of 92 people in the two attacks. Bali has also benefited from an upswing in regional travel by Asians, including Japanese, South Koreans and increasingly Chinese. Tourism and its supporting industries account for around 85% of the island's economy, and around 80% of all foreign visitors to Indonesia go only to Bali, according to immigration figures.

The surge in tourist arrivals has brought increased prosperity to much of the island. But it has also created a completely new set of problems for Bali's four million inhabitants: The island is now home to horrendous traffic jams, a seemingly endless succession of new resort projects, illegally built foreign-owned villas, tourist-related crime and rising demand for power and water that threatens to outstrip the capacity of local utility companies.

"Since lots of construction work has been happening here, it floods every time it rains. It never happened before," says Sudika, a Balinese bartender at the Hard Rock Café on Kuta Beach. No one seems to be thinking about the infrastructure in the area when they're building new developments, he says.

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WEEKEND JOURNAL

Trouble in paradise. Bali's tourism dilemma

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The pattern has been seen across Southeast Asia. On the Thai island of Koh Samui, rustic charm has given way to sprawling hotels, live-music venues, French bakeries and beach discos. The sleepy town of Siem Reap, Cambodia, home to the famed Angkor Wat temple complex, went from 12 hotels in 2000 to more than 120 today.

Bagus Sudibya, co-chairman of the Bali Tourism Board, says the development of Bali just progress.

"There are complaints from people coming here for a long time, and they have nostalgia about what Bali was 20 years ago," he says. "But look at New York, Berlin, Tokyo—Bali is the same. It's changing."

Still, most tourists don't come to Bali for a New York experience. And while it's not uncommon for a tourist destination to lose some of its charm as it becomes more popular, the problems in Bali threaten to run deeper than the poor aesthetics of a few nude tourists, monolithic beachfront hotel complexes and too many Western-style coffee joints.

The island's authorities are aware of the worsening situation. In 2009, Bali Governor I Made Pastika warned the island's council that 260 of Bali's 400 rivers and waterways weren't functioning properly due to unchecked development, deforestation and excessive pumping of groundwater for businesses. In February this year, he issued a moratorium on new hotel developments in the island's main tourist areas and reminded district chiefs that it's against provincial law to approve building permits for hotels near sacred religious sites.

He also says that the problems stem not from having too many tourists but from having them all in one small area.

"I want to balance the development in Bali. It's not because it's overloaded, it's because the southern part is crowded and the [northern] parts are still in poverty," Mr. Pastika says.

The governor talks enthusiastically about grand plans to build new expressways, a new airport in the northern district of Buleleng and perhaps even a railway circling the entire island. Two Indian construction companies, GMR Infrastructure and GVK Industries, have already visited Bali and submitted proposals to build the airport, Mr. Pastika said.

The island's government has also signed a memorandum of understanding with the Indonesian Ministry of Transport in Jakarta and state railway operator Kereta Api on a feasibility study for the railway proposal. Other planned projects include a \$210 million upgrade and expansion of the current international airport and a \$184 million expressway between Nusa Dua and Tanjung Benoa to alleviate the strain on existing roads of the traffic going to the popular Kuta area. Government officials say they want to complete the expressway before Bali hosts the Asia Pacific Economic Cooperation summit in 2013.

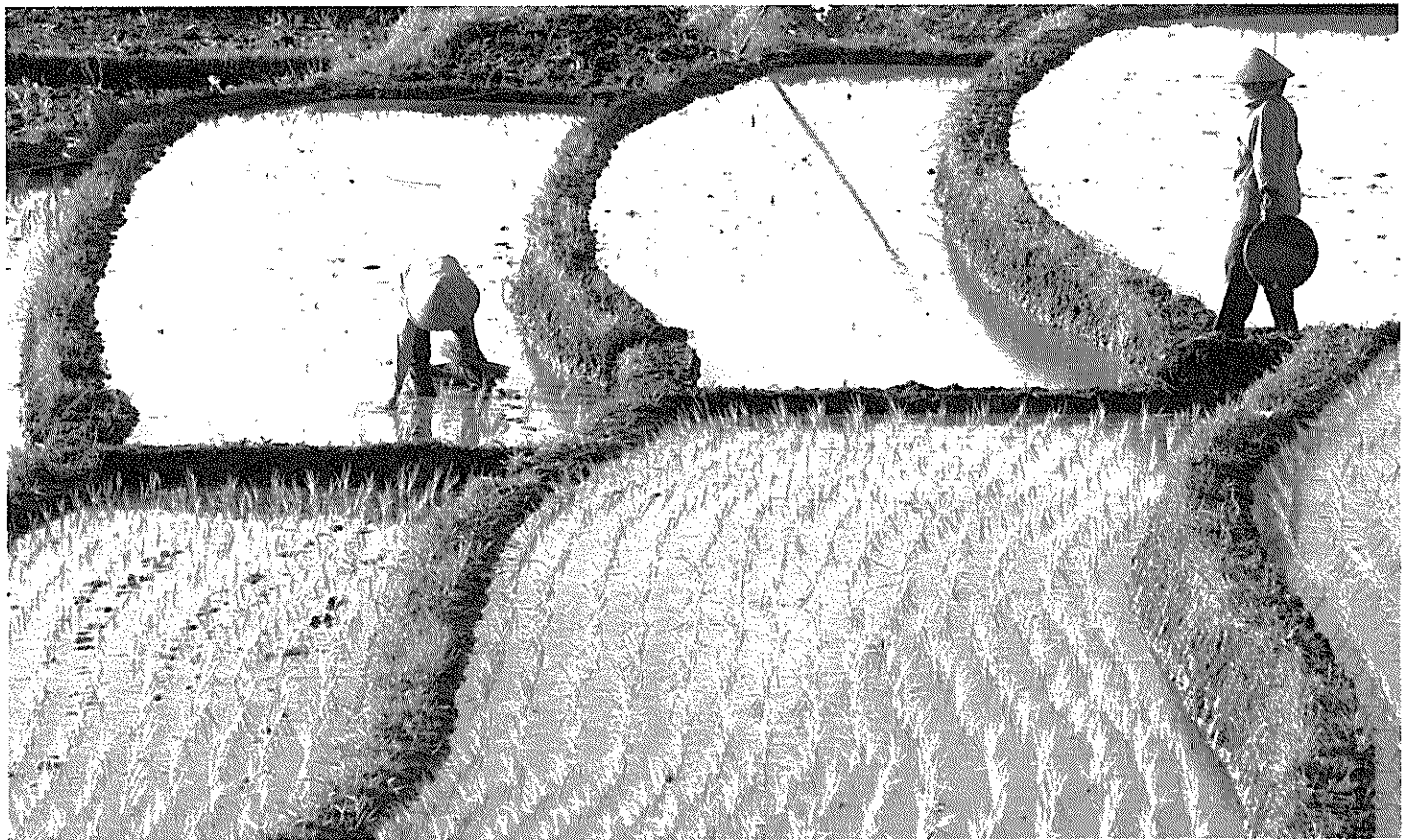
While the plans are impressive, so far, little has got off the ground.

Meanwhile, some locals say the rapid, and lopsided, development of the island is not just inconvenient—it also threatens Bali's culture.

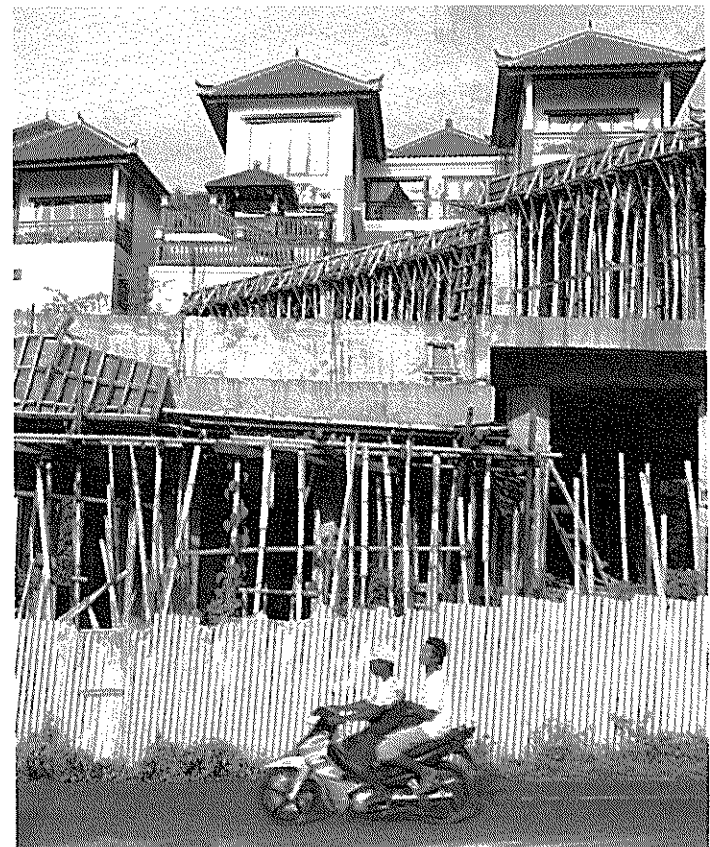
Ida Pedanda Tianyar Arimbawa, a High Hindu priest and leader of Parisada Hindu Dharma Indonesia, Balinese Hinduism's highest authority, says the tourism boom has had some positive effects—he cites an increase in the number of temples in recent decades as an example. But he also says that rising land prices in the most popular areas are tempting locals to abandon their traditional values.

"The land is our mother. When we sell the land, it's like selling our mother, so why sell it?" says Mr. Arimbawa.

The island's Hindu culture is rooted in community associations founded on land ownership. But real-estate prices on Bali have skyrocketed: The price of beachfront land in Canggu, which lies 40 minutes



Charlie Cole for The Wall Street Journal (4)



Bali has gone from obscure tourist idyll to one of Asia's hottest vacation spots in barely more than a decade. In some areas, results include deforestation, fewer rice fields, traffic jams, and rapid construction.

north of Kuta Beach by car, can exceed \$500 a square meter, easily twice what it cost only five years ago. A Balinese family can become extremely wealthy overnight by selling ricefields with a seaview to a foreigner or Indonesian outsider with plans to build a modern villa.

Perhaps more alarming is a rise in crime that prompted Governor Pastika, a former police official who led the successful investigation of the 2002 terrorist attacks, to approve an order for police to shoot on sight criminals targeting foreigners.

"The lifestyle is changing," said Col. Gede Sugianyar Dwi Putra, spokesman for the Bali provincial police. "The Balinese people are becoming more materialistic." Motorcycle thefts were up 26% in 2010 from a year earlier, to 517, while violent robberies were up 12%, to 861. Tellingly, many of the crimes were in the Badung district, home to the tourist centers of Kuta,

Legian, Seminyak, Nusa Dua and Sanur.

The total crime figures are still low compared with other parts of Indonesia or even many more-developed regions. But Sugianyar is one of many Balinese who has already given up on the local tradition of leaving the door to your home unlocked and the keys in the car.

Many of the problems have been intensified because some local Balinese people say they aren't even reaping the financial benefits of the influx of tourists—instead, they say, it is foreigners and newcomers from the main Indonesian island of Java who are taking advantage. Tensions are also growing about the presence of some 300,000 Indonesian migrant laborers, vendors and sex workers from poorer regions trying to cash in on Bali's booming economy.

This came to a head last June when Balinese taxi drivers ran amok during a street demonstration against a provincial govern-

ment decision to issue 930 additional taxi licenses, most of which went to the Java-based Blue Bird Taxi Group. A handful of tourists were caught up in the violence as Blue Bird-owned taxis were attacked by men wielding clubs and stones.

So far this year, tourist numbers are up this year compared with last—by 17% in January—and the expectation is that the number of foreign visitors will reach a new record of 2.5 million or more. And while many locals are sanguine about the pace of development, the boom in foreign visitors is pushing the island's infrastructure to the edge, says I Gede Ardika, a native Balinese who served as minister of culture and tourism from 1999 to 2004.

"Is it tourism developed for the Balinese, or are the Balinese going to be exploited by tourism?" says Mr. Ardika. "Bali has a very fragile carrying capacity. It can't handle infinite visitors."

Postcard: Bali.

Rampant construction, marine pollution, inadequate infrastructure, water shortages, traffic jams and now violent crime. **The boom that's destroying Bali**

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BY ANDREW MARSHALL

THE ANNUAL MONSOON TRANSFORMS Bali. Rain sweeps across slumbering volcanoes. Moss thickens on temple walls. Rivers swell and flush their trash and frothing human waste into the sea off Kuta Beach, the island's most famous tourist attraction, where bacteria bloom and the water turns muddy with dead plankton. "It happens every year," shrugs Wayan Sumerta, a lifeguard, who sits with his Japanese girlfriend amid the surf-tossed garbage. So why, in early March, did the Bali authorities warn tourists that swimming here for over 30 minutes could cause skin infections? The lifeguard tenderly strokes his girlfriend's naked leg. "I guess some people just have sensitive skin," he says.

Itchy ocean? Just add it to Bali's list of problems: water shortages, blackouts, uncollected trash, overflowing sewage and appalling traffic. And don't forget crime. In January, amid a spate of violent robberies against foreigners, police chief Hadiatmoko reportedly ordered his officers to shoot criminals on sight. You've heard of the Julia Roberts movie *Eat Pray Love*, which was partly filmed here? Get ready for its grim sequel: *Eat Pray Duck*.

Most of Bali's woes stem from a problem that rival resorts would love to have: too many tourists. In 2001, the island welcomed about 1.3 million foreign visitors. Ten years later—and despite bombings by Islamic extremists in 2002 and 2005 that killed 222 people, mostly Australian tourists—the island expects almost twice that number. There are millions of Indonesian visitors too.

Hotels and malls are springing up everywhere to accommodate them. The cranes looming over Kuta are building at least three malls and a five-star hotel. But the less glamorous stuff—roads, power lines, sewers—often remains an afterthought. The island's lack of reservoirs is a case in point, says Ron Nomura, marketing director at the Bali Hotels Association.



Sea, sun and sewage Tourists have not been deterred by Kuta Beach's atrocious water

"Can you believe there is this much rain and we don't have enough water?"

In January, Bali's Governor I Made Mangku Pastika issued a moratorium on new construction in certain built-up areas, but few believe that it will be effective. Bali's spiritualism might be a bewildering blend of Hinduism, Buddhism and animism, but the island's planning code is simple: if you build it, they will come.

And on the way, they'll get stuck in traffic. Complaining about the congestion around the airport or in Kuta is a new local pastime. Vehicle ownership is rising at an annual rate (12.42%) that far outstrips the growth in new roads (2.28%), according to government statistics. "Traffic will get worse and worse," traffic chief I Made Santha predicts.

Equally damaging to Bali's prestige is the perception among some expatriates that the island is increasingly unsafe. Lusiana Burgess, the 46-year-old Indonesian wife of a retired British pilot, was robbed and killed in her North Kuta home earlier this year and her murderer remains at large. An Australian woman awoke in her villa to be gagged and assaulted by four thieves. Then an American man

was stabbed during a robbery in Kuta. The statistics actually show a decrease in serious crime from 2007 to 2008. But Chris Wilkin, a former expat from the U.K. who retired in Bali in 2005, remains uneasy. "It was a boom when I moved here," he says. "The boom, word has got around, and people are easy pickings to be had."

Expatriate anxiety hasn't diminished its core visitor appeal. And why should it? Of course, the Australian government still rates Bali a "very high threat of terrorism," more than a hundred flights to Australia every week. The delays and arrivals are those faced by tourists where: dodgy food, motorbikes, and—as a sign at my Kuta hotel (NO JUMPING FROM ANY BALCONY IS PERMITTED)—beer-fueled

A new terminal at Bali's airport is under completion in 2013. But until the infrastructure is improved, it will serve only to channel more tourists to a critically overburdened island. However, such doubts are largely in the rush to cash in on the "Goodness shouts, evil whistles" overused local proverb. But

