

The Impact of the Moratory Policy on Hotel and Villa Development on Investment in Bali Tourism Development

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Abstract: The growth of Balinese tourism has produced important notes on the impact of increasingly uncontrolled regional exploitation. Land conversion and exploitation of natural resources are of particular concern to the government. In response to this condition, the Coordinating Minister for Maritime Affairs and Investment, Luhut Binsar Panjaitan, issued a moratorium policy on hotel and villa development in Bali. The moratorium policy aims to overcome the negative impacts of over-tourism followed by the conversion of agricultural land, congestion, and environmental degradation. The problem that arises is that the moratorium policy will have an impact on uncertainty and even hinder investment plans in the tourism sector in Bali. However, this moratorium policy also encourages a shift in tourism development in the outskirts of Bali that has not been touched by tourism investment progress. The development moratorium policy is planned to be implemented in Denpasar, Badung, Gianyar, and Tabanan areas. To answer this problem, a normative legal research method is used, where the results of the research conducted are that the hotel and villa development moratorium policy in several areas of Bali will have an impact on decreasing the value of tourism investment and a negative value on local economic growth in Bali.

Keywords: Hotel and Villa Moratorium Policy in Bali, Bali Tourism Investment, Tourism Growth in Bali.

INTRODUCTION

Bali is one of the provinces located in the western part of the Nusa Tenggara archipelago, where the area of the island of Bali is 5,590 km². In 2023, the population of Bali Province based on the results of the population census was around 4,433 million people. Of this population, almost 90% of the population depends on the tourism sector for their livelihoods. It is in line with Bali's potential as a world tourism destination. As a leading tourist destination in Indonesia, the growth of tourism support development is growing rapidly and is an attraction for investors to invest in tourism accommodation infrastructure such as hotels and villas. The increase in investment growth focuses on several central points of tourism attraction, namely the Denpasar, Badung, Gianyar, and Tabanan areas known as the SARBAGITA area. Meanwhile, other areas of Bali have not received an even impact from tourism development, such as the East Bali and West Bali areas. The growth of tourism accommodation with both foreign and local investment has caused uncontrolled expansion, causing problems, especially in terms of conversion of agricultural land, traffic congestion, and pressure on local cultural wisdom due to foreign influences, including the increasing number of crimes committed by foreign and local tourists coming to Bali. Seeing these conditions, the Coordinating Minister for Maritime Affairs and Investment, Luhut Binsar Pandjaitan, issued a policy related to a moratorium on the construction of hotels and villas in Bali, especially in the SARBAGITA

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area. The discourse related to the moratorium on the construction of hotels and villas in Bali is planned to take effect in October 2024 and will likely last for 10 years depending on the results of periodic evaluations to be carried out by the relevant parties. The main objective of this moratorium policy is to maintain and control the excessive growth of tourism infrastructure in Bali so that it can restore the balance of the ecosystem and environment, including maintaining the local cultural wisdom in Bali (Mastuty et al, 2015).

Policies that impact the tourism sector as the main driver of the economy in Bali certainly cause unrest in several parties, especially those whose economic activities depend on tourism factors. The main concern is that it will have a major impact on investment plans, especially in the SARBAGITA area, where investment plans that have been submitted can be postponed or even canceled by investors. Moreover, the moratorium policy does not yet have regulations and is stipulated in definite provisions of rules so it becomes an issue that causes unrest and doubt for various groups. Viewed from a legal perspective, a policy that has not been stated in valid regulations and does not have a specific legal basis will cause unrest in society. When viewed from the authority granted by Law Number 26 of 2007 concerning Spatial Planning, in Article 10 the regional government is given the authority to regulate regional spatial planning. However, with the moratorium policy, the regional government is required to rearrange the regional spatial planning as stated in the moratorium discourse that will be carried out. Where the regional government of Bali Province in Bali Provincial Regulation Number 16 of 2009 concerning the Spatial Planning Plan for the Province of Bali for 2009-2029 has compiled a spatial map of the areas that are the authority of the Province of Bali which is then used as a reference by the district/city government in determining the spatial map of their respective areas (Suwarnatha & Ngurah, 2013).

The lack of legal certainty regarding the moratorium on the construction of villas and hotels in Bali caused debate among various groups who have an interest in the policy. The public reaction is divided into two camps, between those who support and those who do not support the moratorium policy. Those who support the moratorium policy argue that the efforts made are strategic steps to maintain the sustainability of Balinese tourism. However, on the other hand, concerns have arisen about the impact on the growth of tourism investment and the local economy. Therefore, this study attempts to find answers to the problem of the impact of the moratorium policy on the construction of hotels and villas in Bali on investment in tourism development in Bali.

RESEARCH METHODS

The research method used in this study is the normative legal research method. Normative legal research is a study that uses data sourced from primary book materials that can be obtained from laws and regulations and other literature. Based on the data obtained, the data will then be systematically arranged to be described descriptively so that answers can be obtained to the problems being studied. The answers to these problems are then concluded so that recommendations can be given for solving the problems.

RESULTS AND DISCUSSION

The main discussion in this article is related to the impact of the moratorium policy on hotel and villa development in Bali on tourism development investment. Based on these problems, the discussion carried out is related to:

The influence of the moratorium policy on hotel and villa development in Bali on tourism development investment.

The moratorium policy on hotel and villa development in Bali is a policy that was born from the government's response to overdevelopment that threatens the ecological and social

balance in Bali. Noticing this situation, the Acting Governor of Bali, Sang Made Mahendra Jaya, proposed a moratorium on hotel and villa development in the SARBAGITA area. The proposal received positive support from the Coordinating Minister for Maritime Affairs and Investment, Luhut Binsar Pandjaitan, by planning that the moratorium policy would last for five to ten years depending on the evaluation results (Putri, 2024).

The moratorium policy is based on Law Number 26 of 2007 concerning Spatial Planning, which emphasizes the importance of sustainable spatial planning to prevent environmental damage caused by uncontrolled development and land conversion. Along with the law, in the Bali Provincial Regulation Number 3 of 2020 concerning the Bali Provincial Spatial Plan for 2000-2040, which regulates zoning and land use including protection of agricultural land and conservation areas. Presidential Instruction Number 10 of 2011 concerning the Postponement of New Permits and Improvement of Primary Natural Forest and Peatland Governance. Although the presidential instruction is not specifically intended for Bali, the existence of the presidential instruction emphasizes the government's commitment to protecting the environment by postponing development permits in certain areas.

The moratorium policy on hotel and villa development in Bali affects tourism development investment. This policy can have both positive and negative impacts. The negative impact of the moratorium policy is the decline in interest in new investors and regulatory uncertainty. The moratorium is feared to reduce the interest of investors who plan to invest their funds in the development of tourist accommodation in Bali, either in the form of hotels or villas. This decline in investment interest is also a negative impact of the moratorium which does not yet have definite legal regulations. As a country of law, the rule of law is the basis of regulation used to carry out legal acts so that legal acts do not violate the provisions of applicable laws and regulations so that they can provide certainty and legal protection.

The positive impact of the moratorium policy on hotel and villa development in Bali can encourage the equal distribution of tourism accommodation development in other areas outside the SARBAGITA area. The moratorium policy on hotel and villa development set in the SARBAGITA area will provide opportunities for other areas as targets for tourism investment. This is considering that Bali's tourism potential is not limited to the SARBAGITA area but other areas such as the North Bali and East Bali areas also have promising tourism potential.

Investors can shift their investments to the North Bali and East Bali areas, including building new areas of tourism objects which will add new tourist destinations in Bali. With the equal distribution of tourism area development, it can be positively proportional to the economic growth of the local community, so that community welfare will increase. Another positive impact is an increase in the quality of tourism, whereby by limiting development in the SARBAGITA area, the government can focus more on efforts to improve the quality of existing tourism services and facilities. By focusing on improving the quality of tourism accommodation, the accommodation offered is expected to increase the trust and interest of tourists to travel to Bali. Another impact is as one of the solutions to prevent congestion which has become a major problem for the Balinese government. Congestion is a complex problem in Bali, many tourists complain about congestion in the SARBAGITA area which makes tourists uncomfortable traveling from one tourist spot to another. Even though tourism development is a solution to prevent congestion, the accumulation of tourists is no longer in the SARBAGITA area but is spread to the Bali tourism area in North Bali and East Bali. The focus of community accumulation in the SARBAGITA area will also be evenly distributed in the northern and eastern Bali areas where these areas will attract job seekers to fill job opportunities in tourism accommodation in the northern and eastern Bali areas.

Regarding tourism investment, the Bali provincial government in the Bali Provincial Regulation Number 5 of 2020 concerning the Standards for Organizing Balinese Cultural Tourism, emphasizes that tourism development in Bali must be based on local wisdom and Balinese culture with the Tri Hita Karana concept (Asrini & Adnyani, 2023). To make investments, it is necessary to adjust the architecture of buildings to Balinese culture and pay attention to carrying capacity and social, including protecting the natural environment of Bali. This regulation is strengthened by the issuance of the Bali Provincial Regulation Number 3 of 2020 concerning the Bali Provincial Spatial Plan for 2020-2024, which regulates spatial planning and zoning of tourism accommodation development areas. The moratorium policy on hotel and villa development still refers to the Bali RTRW Regional Regulation 2020-2040, the Bali Cultural Tourism Regional Regulation, and the Principles of Sustainable Development in the Investment Law and the Tourism Law (Junef, 2021).

Effective strategy for developing Bali tourism during the moratorium policy on hotel and villa development in Bali.

Concerns about the decline in tourism investment as a result of the moratorium policy on hotel and villa development in Bali require an effective strategy to maintain economic stability and development. The tourism development strategy can be done to diversify tourist destinations. Diversification of tourist destinations is an effort to develop tourist destinations outside the SARBAGITA area, such as the northern and eastern Bali areas. With this diversification, it will be able to reduce pressure in areas that are dense and open up opportunities in areas that still have low population density and development.

The next strategy that can be used is to utilize local community participation in tourism development efforts. The government can work together with the community to develop tourism based on local wisdom, including by providing capital assistance to the community to develop tourism in their respective areas. Direct participation from the community is a strategic alternative where these efforts can not only help maintain the stability of the community's economy but can also give birth to cultural tourism that is increasingly strong with local identity and the identity of Bali itself.

Various forms of strategic efforts in developing Balinese tourism In addition to limiting development in the SARBAGITA area, the government together with tourism actors can strengthen the promotional network for existing accommodation by utilizing digital technology. Digital promotional media is the most effective means of promotion in the current era, considering that the scope of promotion is not limited like conventional promotions.

CONCLUSION

The implementation of the moratorium policy on hotel and villa development in Bali is the government's response to overdevelopment that threatens the sustainability of the environment and local culture in Bali. The policy aims to rearrange the spatial planning of the region as a result of the overdevelopment. The main impact of the moratorium policy is on the tourism investment sector, where concerns have arisen, especially from tourism actors, that the issuance of the moratorium decision will reduce investment interest in the tourism sector in Bali. However, this policy is a strategic step that can be utilized by the Bali provincial government to implement equitable development of tourism development in areas that have not been reached by tourism development such as East Bali and North Bali. The basis for the moratorium policy on hotel and villa development in Bali is based on Bali Provincial Regulation Number 5 of 2020 concerning Balinese Cultural Tourism Implementation Standards, Bali Governor Regulation Number 28 of 2020 concerning Balinese Tourism Governance, and Law Number 10 of 2009 concerning Tourism. The long-term implications of this moratorium policy are expected to provide long-term positive impacts, namely as an effort

to preserve the environment and culture of Bali, to improve the quality of tourism, and to carry out equitable development by encouraging investment in tourism development outside the SARBAGITA area.

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