

ALOHA, CHINA!



GRASS SKIRT The sprawling lawn of Hainan's Mangrove Tree Resort, set on the edge of the South China Sea



HAWAII, CHINA-STYLE

The emerging super-power has decided the world needs a new Hawaii—and it's just the country to make it happen. A look inside one seriously audacious plan.

BY SUSHMA SUBRAMANIAN
AND DEBORAH JIAN LEE

ON A BALMY MORNING IN HAINAN, an island at the southernmost tip of mainland China, the sun rises over Yalong Bay, light glittering across the water. Children, silhouetted against the new day, scamper to the sea and laugh as they stick their toes into the waves. Still a bit groggy, we wander through our minimalist, Balinese-style resort, past a pool that snakes among the lush gardens like a river, and take in the view of the tropical coast before us. Fishing boats circle a tiny volcanic island in the distance. A few steps more, and our feet sink into the white sand. We head for the water.

We get only knee-deep, however, before a whistle sounds. It comes from a lifeguard standing far from the water's edge, who gestures wildly for us to return to shore. He is dressed in khaki pants and sneakers, but what he lacks in conventional lifeguard attire he more than makes up for in zeal for the safety of his charges. After a little cat-and-mouse with him, we give up and walk back to the beach. Another vacationer overhears us joking about the lifeguard and says, chuckling, "He's been freaking out all morning." A Beijing-based oil executive from Norway, the vacationer has resigned himself to lazing under a thatched-roof *palapa*.

After breakfast, we decide to go exploring. Our hotel, the Mangrove Tree Resort, is located in the city of Sanya. Once something of a backwater with only a smattering of resorts, Sanya has become a hotbed of high-end development. In its most exclusive enclave, Yalong Bay—where international hotel chains like St. Regis, Ritz-Carlton and Sheraton have erected palatial complexes—BMW and Audis zip through swanky hotel driveways while guests in terrycloth robes pad past boutiques selling the likes of Louis Vuitton, Bulgari and Zegna. Pagoda roofs and white towers peep over spiky betel nut trees, drooping banyans and tall palms: Hainan's wild beauty tamed into manicured perfection.

Yet Sanya isn't just another tropical getaway for the stylish and well-heeled. It's an emblem, a cornerstone of the Chinese government's audacious plan to completely remake Hainan. The effort was unveiled only last year, but already the progress is astounding. New hotels and condo complexes abound, and great swaths of the island, from cities to outlying villages, are dotted with cranes and clad in bamboo scaffolding. If all goes according to plan, by 2020 Hainan will be unrecognizable, a global destination favored by a growing class of new

Eastern money, transformed by the force of a rising superpower's can-do spirit. To quote the government, Hainan will be nothing less than the "Hawaii of the East." But first, there's work to be done.

THIS ISN'T THE FIRST TIME that Hainan, a Belgium-sized island of 8 million, has tried to go big. In 1988, Beijing elevated it to province status and declared it a "special economic zone," hoping it would become an export hub like Shenzhen. Tax breaks and other incentives failed to launch the would-be industrial center; however, that didn't deter a slew of real estate speculators from snapping up land and constructing new buildings in Hainan's major cities, triggering an economic boomlet. Provincial GDP jumped 41.5 percent in 1992 and 20 percent in 1993. Then, in 1994, the real estate bubble burst, leaving strips of beachfront lined with half-finished buildings. After that, Hainan's economy really deteriorated.

The slump seemed destined to last. But the late '90s brought hope, as waves of tourists from Russia and the mainland began arriving. Word had gotten around that Hainan had all the features of Hawaii—pristine beaches, verdant jungles, volcanic peaks, laid-back island vibe—but was closer and cheaper. China courted more foreigners and relaxed the visa requirements for citizens of more than two dozen countries. About five years ago, development again began to soar.

Encouraged by the growth, Beijing went all in last year and announced the Hawaii initiative. The government paved miles of Hainan's roads, launched advertisements throughout China and a marketing campaign in Europe and opened the island's first high-speed rail, a \$3.3 billion project. So far, the plan is working: The number of overnight tourists jumped 11.6 percent to 23 million in the first 11 months of 2010, compared with the same period the year before. Hainan is booming anew.

Yet for all its recently acquired jet-set polish, Hainan—which lies on the same latitude as the Caribbean, making it China's only tropical island—is still grappling with the contradictions that come with such prodigious growth. There are dozens of ultraluxe new stores, yet haggling remains prevalent, even in some hotels. There are

miles of beautiful beaches, but also restrictions on swimming, owing in part to the fact that the tan-averse Chinese seldom sunbathe or send their kids to swimming lessons, making the idea of a beach vacation somewhat foreign. Hainan is, as a whole, a place in the throes of adolescence.

"As far as natural beauty is concerned, it's there," says Wendy Wu, founder of New York-based tour company Wendy Wu's China. "As far as its tourism industry, they have a ways to go, but it will happen. Even Hawaii didn't become Hawaii overnight."

FOR ALL THE GOVERNMENT'S talk of the Aloha State, though, Hainan's new identity remains up for grabs, with each of its private developments offering a different vision of what the island should look like. While most of these are of the Bali/Fiji/Hawaii variety, developer Ken Chu has

Mission Hills are "very much like Dubai's," Chu says. "You have megaprojects. You build them and people will go because people are curious. It's just like that in China." He expects the total cost of the Mission Hills project to hit around \$4.7 billion—and here's the thing: Even he isn't sure it will work. "If we do all the number crunching, it's not a viable project," he says. China, after all, has a minuscule golf market.

But Mission Hills Haikou mirrors the larger leap of faith the government and investors are taking on Hainan. This hope is the driving force behind the island's construction race to the sky. "There's a lot of pride in building this project," Chu says. "It's not ego pride; it's China pride. It's showcasing the new China to the rest of the world."

Some, however, scoff at the vision put forth by Chu. We met one expat in Bo'ao,

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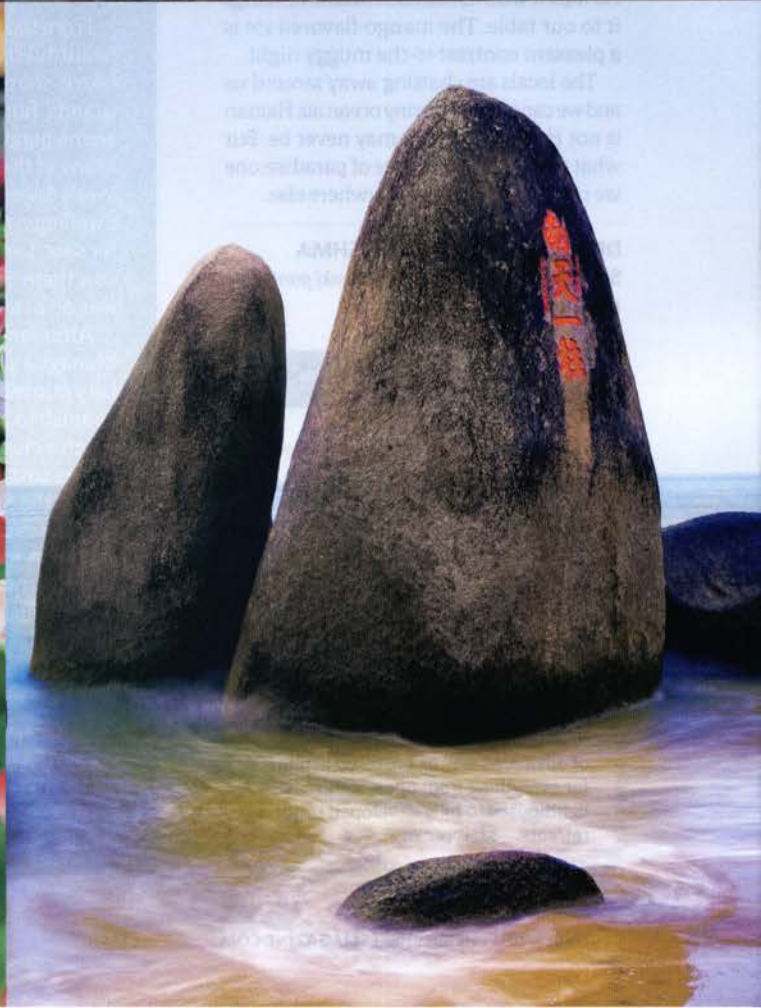
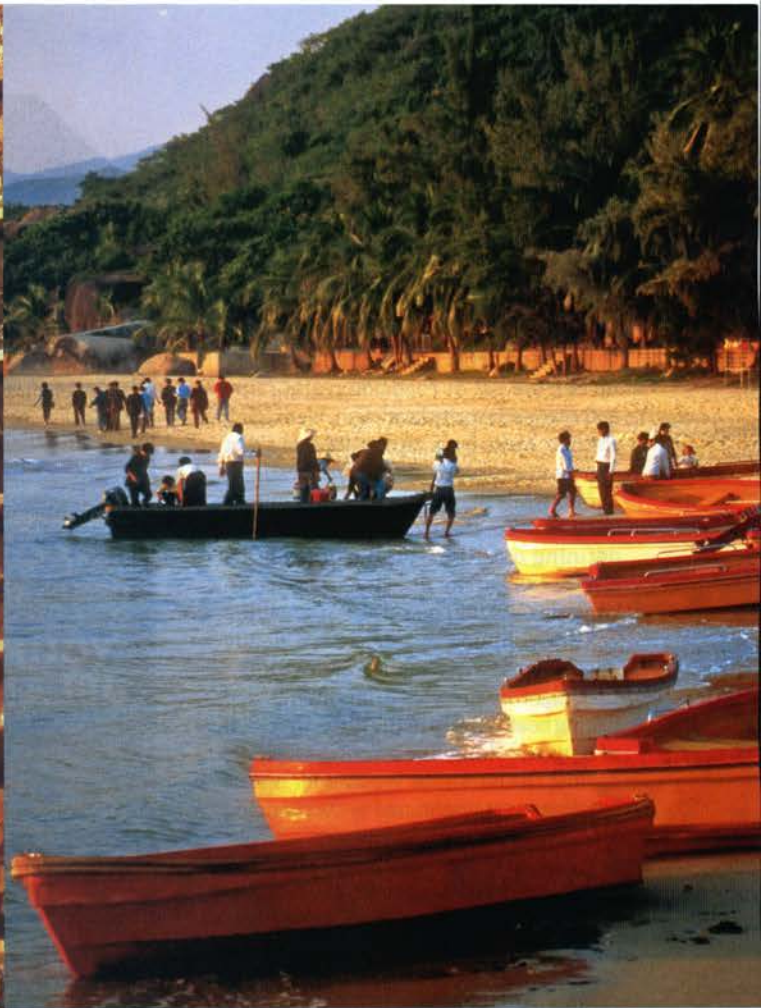
another model in mind: Dubai.

Chu—a glossy-haired mid-30s mogul whose crisp shirt is unbuttoned Vegas-style to show off a glittering chain—hails from the Hong Kong family behind Mission Hills Group, owner of some of China's biggest golf courses. The company opened its latest site in Haikou, Hainan's capital city, last year: Mission Hills Haikou. The second largest golf resort in the world, it boasts 12 courses with more on the way (including one designed as mini golf writ large, complete with a replica of Beijing's National Stadium and a golf hole in a giant bowl of noodles), and 150 hot spring mineral baths inspired by different cultures' bathing rituals, allowing visitors to float in salty pools reminiscent of the Dead Sea, for instance, or steep in Chinese herbal teas.

Chu's vision for Hainan marries size with decadence because, he explains, bigger is always better in China. Projects like

a lazy seaside town on Hainan's eastern coast, who likened Hainan to a teenage girl who "doesn't know she's beautiful just the way she is." The woman, who declined to be named for this article, moved here in 2006 and fell in love with Bo'ao: its charming country lanes perfect for biking, its quaint Buddhist temples and the nearby indigenous communities where villagers practice an ancient agrarian way of life. She treasures the place, and worries that in its rush to appeal to wealthy tourists, her adopted home could lose its individuality. When we tell her about all the glitz we've seen in Sanya, she shakes her head, convinced that decadence is not what Western tourists want. "This is not the Hawaii of the East," she says. "This is China's tropical island. I think it's wrong to say it's the 'Hawaii of,' because the implication is that it can't stand on its own merits."

TRADITIONAL VIEWS Clockwise from top left, a gem-encrusted statue of the bodhisattva Kwan-yin at Hainan's Deda Zizai Kwan-yin temple; a Sanya Bay boating scene; carved stones at Tianya Haijiao ("End of the Earth and Corner of the Sea"); a visitor making a wish at Nanshan Temple in Sanya



DURING OUR STAY, we manage to experience each vision of Hainan. We break away from the lifeguard and enjoy a full hour of whistle-free body surfing. We hike the leafy trails of a rain forest bursting with orchids and banana leaves. We soak in hot springs and drink margaritas at a swim-up bar. We eat at roadside restaurants and savor a favorite local dish, Wenchang chicken, made from birds raised on a diet of peanuts, coconut and banyan seeds.

And while many people we encounter want to make their vision of Hainan the defining one, the island will never be Hawaii or Bali. Nor does it need to be. "In six years, once the boom settles, the culture will start shining through," says Wendy Wu. "It can be a destination of its own."

At night, Bo'ao comes to life. Illuminated fishing boats line up in the water in search of squid, looking like a string of pearls against the darkness. We wander onto a bustling street brightened by overhanging lights, where late-night loungers spill out of teahouses onto the sidewalks. We find a table and order an island specialty dessert: *chao bing*. A man pours fruit purée onto a cold metal plate and mixes it with a paddle until the slush forms creamy peaks. He tops it with condensed milk and brings it to our table. The mango-flavored ice is a pleasant contrast to the muggy night.

The locals are chatting away around us and we can smell the briny ocean air. Hainan is not Hawaii. In fact, it may never be. But what it is, is a singular slice of paradise; one we couldn't experience anywhere else.

DEBORAH JIAN LEE and **SUSHMA SUBRAMANIAN** are buying khaki pants for their next beach vacation.

Island Wisdom, Part 4: Upon deciding to acquire your own island

If you thought shopping for a condo was hard, try having to factor in things like water supply, boat accessibility, tidal variation and foreign property laws. Luckily, there are websites (like privateislandsonline.com and vladi-private-islands.de) that offer plenty of advice, as well as brokered listings for everything from open-water lighthouses to fully developed tropical retreats. —SAM POLCER



YOUR OWN PRIVATE ISLAND HOME

HOW TO MAKE THE MOST OF \$25,000 IN NICARAGUA

Back in 2003, my friend Lary and I were flying into Managua for vacation, and marveling at the sight of Lake Nicaragua below. The size of a small ocean, it was formed by a volcanic eruption, and the volcano still sits in the center of it, smoking.

From the air, it's one of the most beautiful sights you'll ever see. The lake is shimmering and dotted with islands, hundreds of them. Some are no bigger than a few acres. Many of them are populated with lovely Swiss Family Robinson-type dwellings. And many of those are for sale. Lary's eyes lit up when he saw them. From that moment, he was on a mission.

After landing, we headed to Managua's outdoor market, and Lary started demanding I use my Spanish to ask a merchant how much a cluster of rusty elbow valves cost. "Stop it! You can get that in the States," I said. Then it hit me: He wasn't coming back to the States. What had I done?

You'd think that private island ownership is the sort of option available only to the super-rich, a category to which Lary does not belong. He was born in upstate New York, and when I met him he was living in an abandoned candy factory near downtown Atlanta. And yet if there was anyone who could make a home at the base of a

volcano in a massive lake in Central America, it was he. A professional rigger by trade, crankily eccentric and full of theories, he'd figure out how to create a plumbing system carved from the rocks, fashion automated fishing machinery that functioned in accordance with the lunar cycles and then pirate satellite signals when he decided he wanted to connect to the world.

Before I left to return to Atlanta, Lary had his island. It was just 25 grand, bought off a former mercenary. When I left him at a bar in Granada, he was sharing his theory that all things are shrinking. "Even measuring tapes," he insisted. The locals nodded in approbation.

Over the next few years, Lary set up rain barrels, erected windmills and made a reef by dumping discarded concrete and rebar 30 yards off his shoreline. He lived in a tiny cottage, which he expanded until it resembled an eclectic mansion of sorts, with colorful sail shades and bamboo fencing. Then a hurricane hit, and he built it all again.

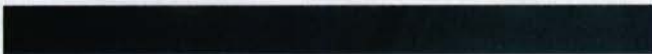
I didn't see Lary for years after that. But then one day, he just turned up. "Somebody offered me 15 times what I paid for it," he said, adding that he planned to use the money to finance his next project. "Wait until you see what I've got planned," he gushed. "It will be like Graceland, only underground."

—HOLLIS GILLESPIE



La Paz. Lounging on the deck of the *Western Flyer*, Steinbeck watched as a yacht cruised by. "On her awninged after-deck ladies and gentlemen in white clothing sat comfortably," he wrote. "We saw they had tall cool drinks beside them and we hated them a little."

Gazing from my tiny craft over to someone's luxury camp onshore, I know how he felt. Suddenly I'm wishing I weren't facing a 4-mile paddle back to the peninsula, and the nearest margarita. But then, what's 4 miles? With the sun still high over the peninsula to the west, I seal the book in the forward hatch, take a swig of warm water from a plastic bottle and point my bow toward La Paz.



Island Wisdom, Part 1: Upon encountering a kangaroo

Take a *T. rex*, shrink it to about 6 feet, cover it in fur and give it a deer's head, and you've basically got yourself a kangaroo. Put boxing gloves on it, and you've got a sight gag. These are just two of the many things to be learned on Kangaroo Island, a charming wonderland off the South Australian coast

where seals laze on the beach, koalas sleep in trees, wallabies dart across roads and 'roos abound. Most often, the latter will casually hop away if you get anywhere near them. But should you somehow bump into one, resist the urge to put up your dukes: A kangaroo, if so inclined, can lean back on its meaty tail

and deliver a kick that'll put a substantial crimp in your holiday plans. (Not that it will, necessarily. But it can.) That's why your best bet is to seek out the tamer specimens lingering around the visitors center. They're friendly. They like people. They'll eat out of your hand. So bring an apple.

—JASON FEIFER

Featured Creatures

WHERE TO SWIM WITH WHAT, AND WHY

WHERE: Off Poipu, Hawaii

WHAT: Giant sea turtles
WHY: Sometimes the turtles will bob close enough to look you in the eye, and while it might be just for an instant, it'll feel like having an entire conversation.



WHERE: Jellyfish Lake, Palau

WHAT: Hundreds of thousands of nonstinging jellyfish
WHY: It's utterly hypnotic. Golden or orange and varying in size, the pulsing jellyfish migrate across the lake each day to follow the sunlight, and you can swim right along with them.



WHERE: The Gulf of Aqaba, Jordan

WHAT: Lionfish
WHY: The gulf teems with fish, but none is more eye-catching than the lionfish, with its long, feathery fins and zebra stripes. Just keep your distance—it can sting.



WHERE: Off Cocos Island, 300 miles from the Costa Rican coast

WHAT: Hammerhead sharks
WHY: Because sharks are awesome. And these waters, beloved by divers, offer more of them than any other place on earth.



—STEVE KETTMANN

Hemispheres

THREE PERFECT DAYS IN HAWAII

A TROPICAL RESORT
PARADISE—IN CHINA? INSIDE
THE MAKEOVER OF HAINAN

ISLAND TIME:
UNFORGETTABLE SPOTS FOR
THE IDEAL GETAWAY

AMY POEHLER
UNCOVERS FUNNY
STUFF AT CITY HALL
IN THE HEMI Q&A

AMERICA'S TOP CHEFS
OFFER UP THEIR FAVORITE
HOLIDAY RECIPES



WHY YOU
SHOULD
LEARN TO
LOVE LEBRON

UNITED 

A STAR ALLIANCE MEMBER 