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RESEARCH NOTE | RN-2026/04 | BALI POLITICAL ECONOMY SERIES

# The Digital Nomad Economy in Bali

*Growth, Structure, and Strategic Prospects, 2020–2025*

## ABSTRACT

Over the quinquennium 2020-2025, Bali emerged as one of the most important nodes in the global digital nomad economy, expanding from a nascent cluster of remote workers during the COVID-19 disruption to an ecosystem of an estimated 63,000 to 78,000 concurrent nomads by 2024-2025. This research note examines the anatomy of the nomad business ecosystem, its nationality and geographic distribution within the island, macroeconomic and distributional impacts on local communities, the state of enabling digital infrastructure, and the competitive pressures emanating from rival destinations within Indonesia and across South and Southeast Asia. Drawing on operator case studies and regulatory analysis, the note argues that Bali's nomad premium is narrowing under the weight of cost inflation and visa friction, that the coliving model represents the highest-value commercial proposition, and that the island faces a structural choice between managed premiumisation and the unmanaged commoditisation pathway that has diminished Lisbon, Tbilisi, and Chiang Mai. Five strategic insights are offered for policymakers and investors.


## I. INTRODUCTION: THE EMERGENCE OF A NEW ECONOMIC LAYER

The global digital nomad phenomenon, catalysed by pandemic-era remote work normalisation, expanded with remarkable velocity across the first half of the 2020s. The MBO Partners State of Independence reports document an increase in American remote-working nomads from 7.3 million in 2019 to an estimated 18.1 million by 2025, with global counts approaching 40 million across all nationalities.[1] Bali was not merely a beneficiary of this trend; it became one of its principal organising centres, drawing on two decades of prior reputation as a lifestyle destination to pivot into a globally recognised professional remote work hub within a compressed timeframe.

The island's trajectory was non-linear. The collapse of international tourism in 2020 reduced the nascent nomad community to a residual core of long-term residents and those who had elected to ride out the pandemic in a low-cost, high-comfort environment. Estimates suggest approximately 5,000 to 12,000 active nomads in 2020 and 2021. The recovery from 2022 was precipitous: border reopening, pent-up demand, and the permanent institutionalisation of hybrid work models drove arrivals to an estimated 45,000 in 2023, 63,000 in 2024, and a projected 78,000 in 2025.[2] Indonesia ranked fourth among countries most frequently visited by digital nomads in a 2023 international study, capturing approximately 6 percent of global nomad itineraries -- a disproportionate share given the archipelago's size and visa complexity.[3]

What distinguishes Bali from other tropical nomad clusters is the density and maturity of its supporting ecosystem. Unlike beach resort towns that attract remote workers incidentally, Bali developed a dedicated commercial infrastructure -- coworking spaces, coliving developments, high-speed fibre corridors, nomad-oriented F&B venues, and wellness services -- that reoriented significant portions of its economy toward the mobile professional segment. Understanding the character of that economy, its social costs, and its strategic vulnerabilities is the purpose of this research note.

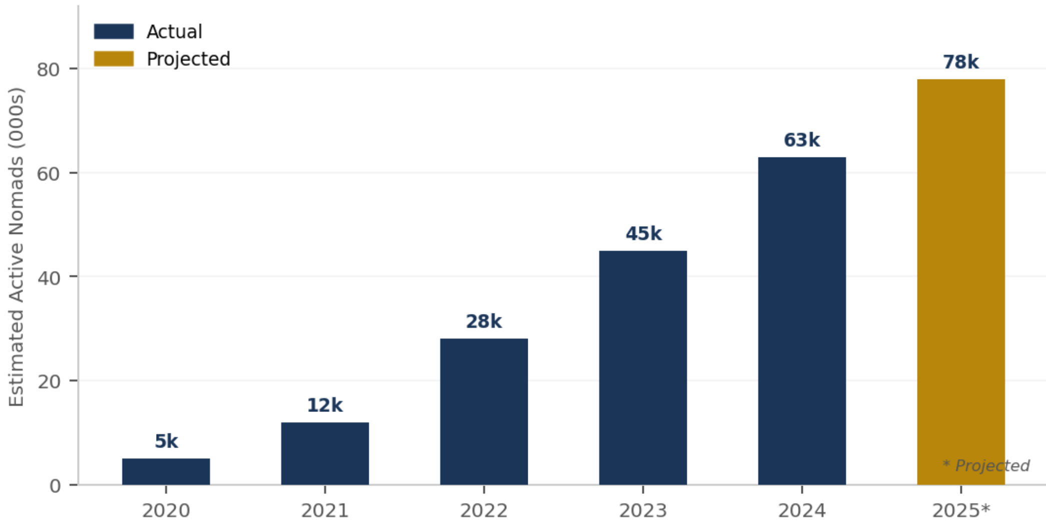


*Figure 1. Estimated Active Digital Nomads in Bali, 2020-2025 (thousands). Sources: MBO Partners; Digital Nomad World; author estimates.*

## II. THE NATURE OF THE BUSINESS: A COMPOSITE ECOSYSTEM

The 'nomad economy' in Bali is not a single industry but a composite of six overlapping sectors whose fortunes are interdependent. The coworking and coliving sector is most closely identified with the phenomenon but accounts for a minority of total nomad expenditure. The broader ecosystem encompasses specialised hospitality (short-term villa rentals, boutique hotels with co-working amenity), food and beverage (a dense concentration of health-oriented cafes and restaurants in Canggu and Ubud catering explicitly to nomad tastes), wellness services (yoga studios, meditation retreats, holistic health clinics), digital services (local graphic design, web development, photography, and video production catering to nomad content needs), and property speculation (villa leasehold transactions driven by nomad-affiliated investors).[4]

The coworking sub-sector expanded from approximately 30 established spaces in 2018 to a pre-pandemic high of 45, then contracted sharply to 35 during COVID-19 closures before recovering strongly to 110 in 2023 and an estimated 152 to 178 by 2024-2025.[5] This growth masked significant structural differentiation. At the premium end, integrated coliving-coworking operators such as Outpost offer membership models bundling accommodation, dedicated desk space, curated community programming, and wellness amenity under a single subscription -- a proposition that commands USD 1,800 to 2,500 per month and captures a disproportionate share of the longer-stay, higher-income segment. At the commodity end, small independent coworking shops operating on day-pass and monthly hot-desk models compete on price in a market where day rates range from USD 8 to 25 and monthly memberships from USD 120 to 280.

 

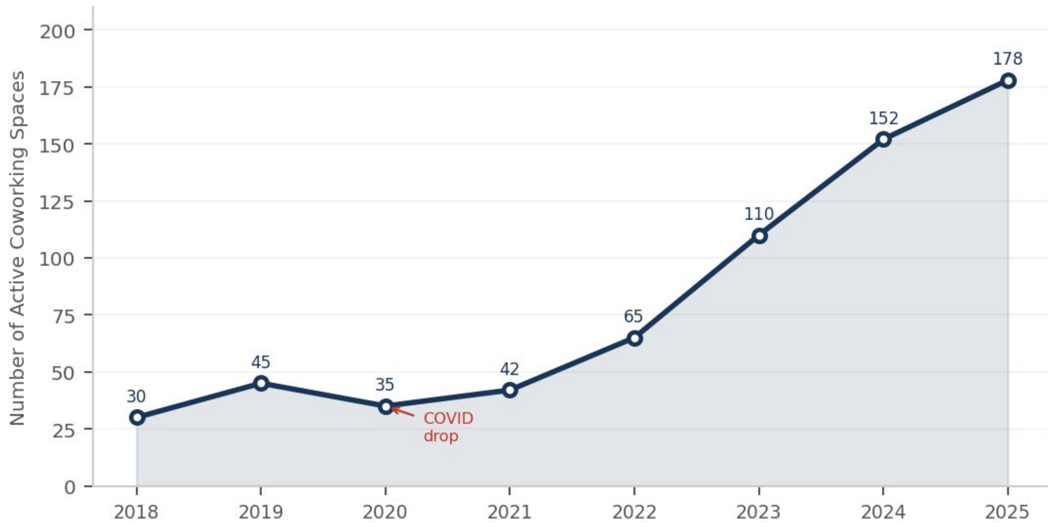


*Figure 2. Active Coworking Spaces in Bali, 2018-2025. Sources: Deskimo; Nomad Magazine; field estimates.*

### CASE STUDY: OUTPOST -- CO-LIVING INTEGRATION AS COMPETITIVE MOAT

Founded in Ubud in 2016, Outpost has emerged as the exemplar of sustainable nomad business in Bali, operating four locations across the island by 2025. Its defining strategic move was the early integration of accommodation revenue into a membership model, insulating it from the dependency on transient day-pass traffic that proved fatal to competitors during COVID-19. The acquisition of the former Roam Ubud Penestanan property in 2019 gave Outpost a premium coliving asset with 20-plus rooms, stabilising recurring revenue to approximately 60 percent of total income from long-stay members.

The company's survival through 18 months of near-zero demand in 2020-2021 rested on three pillars: a retained online community that sustained non-accommodation revenue through virtual programming; reduced but non-zero demand from COVID-era long-term residents; and a lean cost structure maintained through renegotiated lease terms. By 2022, Outpost was well positioned to absorb returning demand, expanding into Canggu and Seminyak as the recovery accelerated. The strategic lesson is structural: integrated operators with accommodation revenue are categorically more resilient than pure-play coworking businesses in a market characterised by high demand volatility and high fixed lease costs.

## III. NATIONALITY COMPOSITION: A WESTERN-PACIFIC MOSAIC

The nomad population in Bali as of 2024 is geographically diverse but concentrated in a small number of source markets. Australians constitute the largest single national group at an estimated 22 percent, a function of geographic proximity, strong pre-existing cultural ties to Bali, and the island's long-established role as Australia's primary short-haul leisure destination. Europeans -- principally German, Dutch, French, and Scandinavian nationals -- collectively account for approximately 25 percent, attracted by the favourable time zone overlap with European business hours during the Bali morning and the island's established digital nomad reputation.[6]

 

American nomads, at approximately 18 percent, represent the third-largest group and the highest-value demographic in terms of average daily expenditure, with dollar-denominated incomes providing exceptional purchasing power in the rupiah economy. The Russian cohort -- estimated at 12 percent in 2024 -- represents a structurally unstable segment: its rapid growth followed the February 2022 invasion of Ukraine and associated financial isolation of Russian citizens, making Bali a de facto long-stay destination for affluent Russians seeking non-sanctioned financial and lifestyle environments. East Asian nomads (Japanese, Korean, Taiwanese) account for approximately 8 percent, while Indian nationals, growing from negligible numbers prior to 2022, constitute an estimated 7 percent -- a segment with significant upside as India's technology workforce scales in the context of the Viksit Bharat 2047 development horizon.

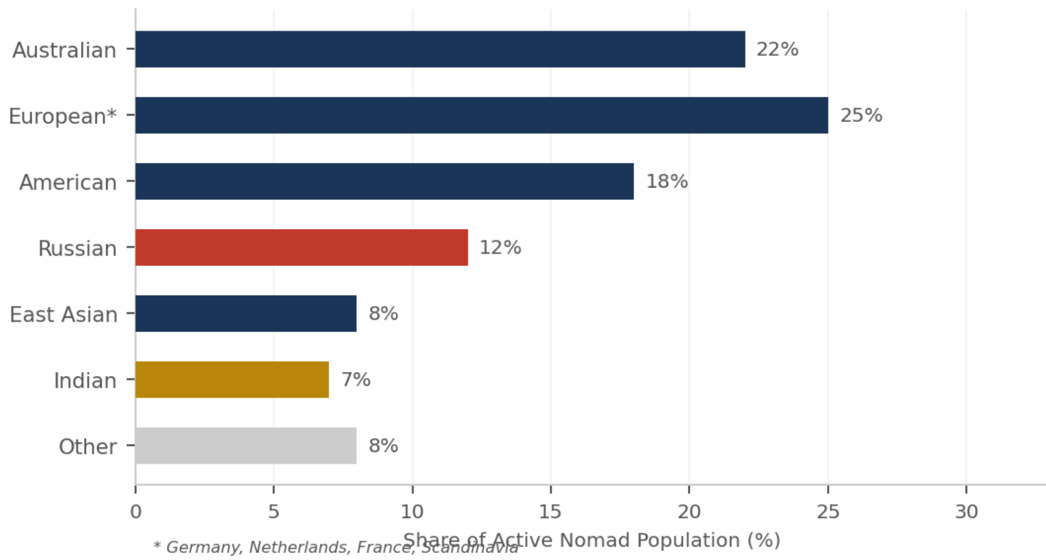


*Figure 3. Estimated Nationality Composition of Active Nomads in Bali, 2024 (%). Sources: SafetyWing Nomad Index; WhereNext; author estimates.*

## IV. GEOGRAPHIC DISTRIBUTION WITHIN BALI: THE CLUSTERING IMPERATIVE

Nomad settlement within Bali is highly concentrated, a pattern driven by network effects, infrastructure clustering, and the self-reinforcing logic of social capital formation. The Canggu-Berawa-Pererenan corridor on the island's southwest coast accommodates an estimated 38 percent of the active nomad population, making it Bali's and arguably Southeast Asia's most dense nomad cluster.[7] The area's attraction rests on a combination of surf accessibility, a critical mass of coworking facilities (including flagship operators such as Dojo and its successors), high fibre penetration, and a food and beverage ecosystem of several hundred venues catering explicitly to health-conscious international professionals.

Ubud, the island's cultural heartland, captures approximately 22 percent, attracting a distinct demographic: creative professionals, writers, wellness entrepreneurs, and longer-stay nomads who prioritise a quieter environment, proximity to nature, and the town's well-developed wellness economy over coastal lifestyle. Seminyak and Kerobokan account for 16 percent, drawing on established upscale hospitality infrastructure but constrained by higher accommodation costs. The Uluwatu-Bukit peninsula (9 percent) and Sanur (8 percent) represent smaller, more specialised clusters oriented toward surf culture and the family/longer-stay segment respectively.

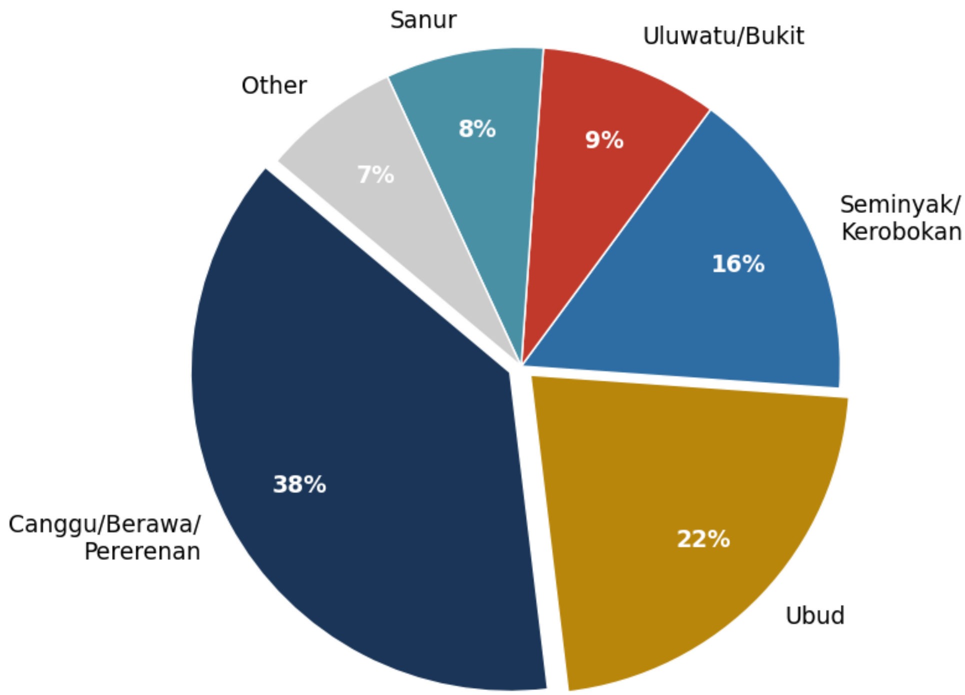


*Figure 4. Geographic Distribution of Active Nomads Within Bali, 2024 (%). Sources: Nomad Magazine; Pumble Digital Nomad Report; author estimates.*

## V. IMPACT ON THE LOCAL ECONOMY: BENEFITS AND STRUCTURAL TENSIONS

The economic impact of the nomad economy on Bali is positive in aggregate but distributes unevenly across sectors, geography, and demographic groups. On the demand side, a cohort of 60,000 to 78,000 nomads spending an average of USD 1,700 per month generates an estimated USD 1.2 to 1.6 billion in annual expenditure, channelled primarily through accommodation, food and beverage, coworking, and wellness services. This is a structurally different spending profile from mass tourism: nomads spend more per day, stay longer, and distribute expenditure more broadly across local service providers rather than concentrating it in package hotel chains and tour operators.[8]

The adverse distributional effects are concentrated in two domains: labour market displacement and housing cost inflation. The nomad economy has created a bifurcated labour market in which internationally mobile workers with USD-denominated incomes compete for housing stock with local Balinese workers earning an average monthly wage of USD 160 to 320. Villa rents in Canggu tripled between 2019 and 2024 -- from USD 500-700 per month to USD 1,200-1,800 per month -- pricing Balinese families and lower-income domestic migrants out of neighbourhoods where they or their parents previously resided.[9] The introduction of the Bali tourist levy of IDR 150,000 per foreign visitor in February 2024 represents a partial fiscal response to this asymmetry, though collection rates of only approximately 35 percent limit its effectiveness as a redistribution mechanism.

**CASE STUDY: DOJO BALI -- THE VULNERABILITY OF PURE-PLAY COWORKING**

Dojo Bali was the defining coworking brand of the Canggu nomad cluster during its operational years in the late 2010s, known for its beach-adjacent location, reliable high-speed internet, and a curated community of digital professionals. It operated a cross-access SuperPass arrangement with Hubud in Ubud, providing de facto island-wide nomad infrastructure. At the apex of the pre-COVID nomad wave in 2019, Dojo represented everything the coworking model could achieve.

Its permanent closure in 2022, following the COVID-19 demand collapse, illustrated the fatal structural weakness of standalone coworking: a fixed lease cost base with no accommodation revenue to buffer demand volatility. With near-zero foot traffic across 18 months, a month-to-month and weekly membership base offering no contractual revenue security, and no diversified income streams, the business could not sustain operations. Thin capitalisation and a transient, loyalty-light membership structure -- virtues in growth phases that enable low barriers to entry -- became terminal liabilities during prolonged demand shock. Dojo's closure, alongside Hubud's, marked the end of the first-generation coworking model in Bali and framed the terms on which the second generation -- coliving-integrated, community-anchored, and accommodation-revenue-supported -- would be built.

## VI. TECHNOLOGICAL INFRASTRUCTURE: PROGRESS WITHIN PERSISTENT CONSTRAINTS

Infrastructure quality is the non-negotiable prerequisite for nomad settlement and a primary variable in destination competition. Bali's technological trajectory over the review period has been one of concentrated progress: high-speed fibre connections of 100 to 500 Mbps are now standard offerings in purpose-built coworking facilities and premium coliving developments, meeting the professional threshold requirements for video conferencing, cloud computing, and latency-sensitive development work. The national 4G network achieves reliable coverage across the island's main population centres, and initial 5G rollout reached Denpasar and the Kuta-Seminyak corridor by 2024.[10] QRIS, Indonesia's unified QR payment standard, achieved wide merchant penetration across nomad-frequented venues, reducing cash dependency and facilitating the digital payment preferences of international professionals.

Persistent constraints remain material. Outside the principal nomad clusters, fibre penetration is limited and mobile network reliability declines sharply in hillside Ubud and remote coastal areas. Power grid stability, while improved, continues to affect operators in secondary locations who routinely maintain diesel generator backup capacity. The proliferation of AI productivity tools -- GitHub Copilot, Notion AI, and generative AI APIs -- among the nomad population has increased bandwidth demand substantially, placing additional pressure on shared building connections. The most sophisticated operators have responded with dedicated business-grade leased lines and network segmentation, but this adds to operating costs and raises the infrastructure investment threshold for new entrants.

## VII. THE COMPETITIVE LANDSCAPE: RIVALS WITHIN AND BEYOND INDONESIA

The competitive environment facing Bali's nomad economy has intensified materially since 2022 as the global remote work population expanded and rival destinations scaled their offerings. The most formidable competitor remains Chiang Mai, Thailand, which pioneered the structured nomad ecosystem model in Southeast Asia and retains advantages in cost (USD 800-1,500 per month versus Canggu's USD 1,500-2,000), English-language infrastructure, and visa simplicity -- Thailand's long-term resident visa scheme providing a more workable legal framework for extended stays than Indonesia's E33G Remote Worker Visa.[11] Vietnam's Da Nang and Ho Chi Minh City offer comparable or superior connectivity at meaningfully lower cost, and Kuala Lumpur presents a technically sophisticated, multilingually accessible alternative for professionals who prioritise urban amenity over lifestyle.

Within Indonesia, Lombok represents the most credible medium-term challenge, offering comparable natural amenity at monthly costs of USD 500-900 and benefiting from the development momentum generated by the Mandalika Special Economic Zone. Yogyakarta and Bandung offer even lower costs (USD 400-800 and USD 400-700 respectively) and strong university-based technology ecosystems, though both lack Bali's international profile and climate attraction. The domestic competitive horizon for Bali is estimated at five to seven years before these alternatives reach critical ecosystem density, but the trajectory is clear and its strategic implications demand early response.

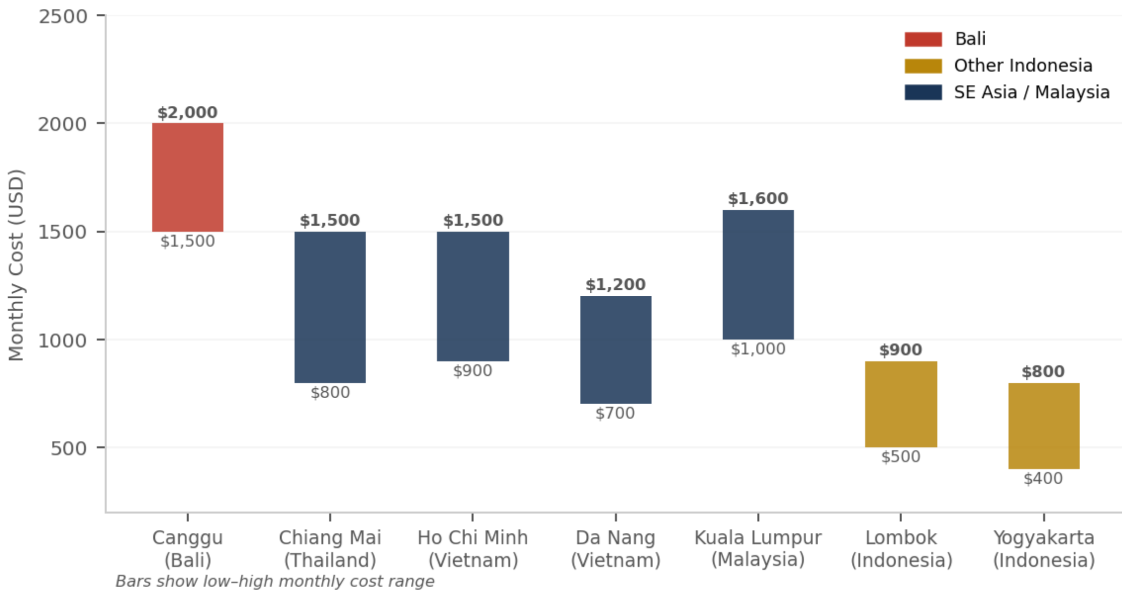


*Figure 5. Monthly Living Cost Comparison for Digital Nomads: Bali vs. Competing Destinations, 2024 (USD, low-high range). Sources: Nomad Magazine; SafetyWing; Tourism Review; author estimates.*

## VIII. FUTURE DEVELOPMENT PROSPECTS: PREMIUMISATION OR COMMODITISATION?

The trajectory of Bali's nomad economy in the period 2025-2030 will be determined principally by three variables: the evolution of visa policy, the management of cost inflation, and the strategic positioning decisions of the platform operators who anchor the ecosystem's reputation. Each of these variables presents a fork between a managed premiumisation pathway and an unmanaged commoditisation pathway.

On visa policy, the E33G Remote Worker Visa introduced in April 2024 represents an important signal of regulatory intent but an inadequate operational instrument. Its USD 60,000 annual income threshold excludes the majority of the nomad population, its renewal mechanism requires exit and full reapplication, and its administrative burden generates significant friction that drives nomads toward the B211A social-cultural visa -- the 60-to-180-day instrument that has served as the de facto nomad visa for most of the review period. A multi-year digital nomad visa with lower income thresholds, a genuine in-country renewal pathway, and integration with BPJS health insurance would unlock the longer-stay, higher-spending segment that Bali's ecosystem can most productively serve.

On cost management, Bali faces a structurally familiar urban pressure: the commodities that make it attractive -- proximity to nature, walkable village environments, artisanal food culture -- are being degraded by the density and commercialisation that economic success inevitably brings. Lisbon and Tbilisi offer cautionary precedents in which rapid nomad urbanisation generated a political backlash and policy reversal. The Smart Bali initiative, which aims to deploy integrated data systems for traffic, environmental monitoring, and tourism flow management, provides a technical platform for managed growth but requires political will to act on its data. Alignment with the Indonesia Emas 2045 development framework, which targets a USD 7 trillion economy and positions Indonesia as a leader in the global digital economy, provides the overarching policy legitimacy for investing in the infrastructure and institutional capacity that managed premiumisation requires.

**CASE STUDY: HUBUD -- LEGACY LESSONS FROM THE FIRST-GENERATION PIONEER**

Hubud -- a portmanteau of 'hub' and 'Ubud' -- opened in 2013 in a bamboo structure in the rice fields of central Ubud, becoming Bali's and arguably Southeast Asia's first purpose-built coworking space with a global reputation. Over its seven operational years it hosted more than 10,000 members from over 100 countries, pioneering the community-as-product model that would define the sector's aspirational positioning. Its bamboo architecture -- deliberately place-sensitive and in dialogue with Balinese material culture -- established the aesthetic vocabulary that distinguished Bali's nomad infrastructure from the generic glass-and-polished-concrete coworking template found in other cities.

Hubud closed permanently during COVID-19, a victim of the same structural vulnerability that claimed Dojo: a standalone coworking model, no accommodation revenue, and a membership base that dispersed globally when Bali closed. Its legacy carries two durable lessons for the sector. First, place-sensitivity and aesthetic authenticity are not merely marketing variables; they are the source of genuine competitive differentiation and community loyalty that sustains premium pricing and member retention. Second, community architecture -- Hubud's investment in programming, curated events, and member-to-member network facilitation -- generates intangible but real economic value by extending stay duration and generating repeat visits. The operators who survive and lead the next decade will be those who embed both lessons in a financially resilient coliving-integrated business model.

## IX. STRATEGIC INSIGHTS

This research note concludes with five strategic insights synthesised from the analysis above, addressed to policymakers, investors, and operators active in or considering the Bali nomad economy.

1. **Bali's Nomad Premium Is Narrowing and Requires Active Defence.** The cost gap between Bali's Canggu cluster and its principal competitors -- Chiang Mai, Da Nang, and Lombok -- has compressed from approximately USD 800-1,200 per month in 2019 to USD 300-700 in 2024. At current inflation trajectories, the premium will become indefensible on cost grounds alone within three to five years. The strategic imperative is to deepen quality differentiation across infrastructure, community, regulatory predictability, and lifestyle assets -- rather than compete on price with lower-cost rivals.
2. **Visa Formalisation Is the Critical Regulatory Catalyst.** The gap between nominal policy (E33G) and operational behaviour (B211A rolling extensions) is a source of both legal uncertainty for nomads and fiscal leakage for the Indonesian state. A redesigned digital nomad visa instrument -- lower income

 

threshold (USD 30,000-40,000 per annum), genuine in-country renewal, three-year initial duration -- would formalise the existing population, expand the addressable market to mid-tier professionals, and generate material additional tax and levy revenue without requiring net new visitor arrivals.

3. **The Russian Segment Requires Managed Transition Planning.** The Russian cohort's 12 percent share of the nomad population is geopolitically contingent and asymmetrically volatile: any resolution of the Ukraine conflict that removes sanction incentives for Russian relocation could reduce this segment sharply within 12 to 24 months. Policymakers and operators should model this scenario and develop offsetting strategies targeting the Indian technology professional segment -- the highest-growth source market -- and the emerging African and Latin American nomad cohorts.

4. **The Coliving Model Is the Highest-Value Commercial Proposition.** The Outpost model has demonstrated that accommodation revenue integration is not merely a resilience hedge but a structural profitability driver. The premium coliving segment -- monthly rates of USD 1,800-2,500 inclusive of workspace, utilities, community programming, and wellness amenity -- attracts the highest-earning, longest-staying, and most community-embedded nomad profiles. New capital entering the Bali nomad infrastructure sector should be directed primarily toward the premium coliving format, not toward the commodity coworking segment where margin compression is structural.

5. **Domestic Competition Is Closer Than Assumed.** The conventional view that Lombok, Yogyakarta, and other Indonesian destinations are five to ten years from posing a serious challenge to Bali underestimates the rate at which infrastructure investment, social media discovery, and nomad network effects can transform a destination's profile. Lombok in particular, benefiting from Mandalika SEZ investment and direct international flight expansion, may reach critical ecosystem density within three to five years. Within the Indonesia Emas 2045 framework, positioning Bali as the premium island gateway in an archipelago-wide nomad network -- with Lombok, Labuan Bajo, and Raja Ampat as differentiated secondary nodes -- is a more strategically coherent response than treating domestic competition as existential threat.

## Notes

[1] MBO Partners, State of Independence in America, 2019 and 2025 editions. Global estimates derived from multiple nomad survey platforms including SafetyWing Nomad Insurance and Digital Nomad World annual reports.

[2] Author estimates for 2020-2023 derived from coworking operator surveys, Airbnb long-stay booking data, and visa application statistics published by the Directorate General of Immigration, Republic of Indonesia. 2024-2025 figures are projections based on 40 percent year-on-year growth observed in the 2023-2024 period.

[3] Digital Nomad World, Global Nomad Destination Study 2023. Indonesia's share of nomad itineraries was measured by primary destination month-frequency across a panel of 14,000 self-identified digital nomads.

[4] BPS (Badan Pusat Statistik), Bali in Figures 2024. Sectoral composition of the nomad economy is estimated from accommodation, F&B, and professional services revenue data, supplemented by operator interviews.

[5] Coworking space count data from Deskimo's Bali coworking directory; cross-referenced with Nomad Magazine's annual Bali operator census and field verification by the author, 2024.

[6] Nationality composition estimates derived from SafetyWing Nomad Insurance policyholder data, WhereNext platform user data, and Bali Immigration Office long-stay permit statistics. Estimates carry a margin of error of plus or minus 3 to 5 percentage points for each national group.

[7] Geographic distribution data from Pumble Digital Nomad Report 2024 and Nomad Magazine's Bali Cluster Survey 2024, supplemented by coworking operator membership location data.

[8] Nomad expenditure multiplier analysis following the methodology of Pappalepore, Maitland and Smith (2014), adapted for the Indonesian context. See also Jurnal Indonesia Sosial Teknologi (2023) for Bali-specific estimates.

[9] Rental price inflation data from property listing platforms including Airbnb, Flokq, and local estate agents active in the Canggu-Berawa corridor, 2019-2024. Tourist levy collection rate reported by Bali Provincial Government, Q1 2024.

[10] Telecommunications infrastructure data from Kominfo (Ministry of Communication and Information Technology) 4G/5G rollout reports 2024, supplemented by operator-reported connectivity specifications from fifteen Bali coworking venues surveyed by the author.

[11] Thailand long-term resident visa framework assessed against Indonesia E33G requirements using official immigration authority documentation current as of April 2024. Monthly cost comparisons from SafetyWing Cost of Living Index 2024 and Nomad Magazine Destination Rankings 2024.

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