ASEAN-4

Brunei, Cambodia, Laos, and Myanmar

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Cambodia

Tariff headwinds: US tariffs are likely to have a dampening effect on GDP growth. Inflation has been trending downwards, but a surge in global commodity prices could reverse this progress.

Tourism is back: Cambodia welcomed ~6.7M international visitors in 2024, a ~23% year-on-year increase. New airports in Siem Reap and Phnom Penh are adding arrival capacity, and e-Arrival improves efficiency and passenger throughput at entry points.

Payments become easier: The National Bank of Cambodia's Bakong real-time rails processed payment volumes equivalent to ~3X of GDP in 2024, as KHQR digital payment adoption becomes widespread among users and merchants. Live since 2022, KHQR formally joined the ASEAN regional payment connectivity initiative this year, facilitating payments for MSMEs and tourists.

Mobile-first social commerce: Ecommerce is mobile-first with social commerce at its core. Social platforms dominate discovery and sales. Improved logistics, digital infrastructure, and digital literacy, particularly in rural areas, will improve market access and drive greater adoption.

Laos

Stabilising but still fragile: Inflation has stabilised this year but remains in the double digits. External demand is expected to slow with US tariffs in place, leading to a commensurate impact on growth.

Tourism and transport surge: ~4M visitors arrived in 2024, up 25% year-on-year. The Laos-China Railway, which launched cross-border services in 2023, is one of the catalysts for this growth. A local ecosystem player is catering to the burgeoning tourism market with seamless ride-hailing and digital payments.

Deepening financial inclusion: The Bank of the Lao PDR's national Lao QR standard, launched in 2020, has expanded to facilitate cross-border QR payments with Cambodia, Thailand, and Vietnam, improving financial access for merchants and tourists while driving cashless transactions. The World Bank Global Findex report noted that account ownership among women aged 15+ increased from 26% in 2011 to 44% in 2024, while 19% of the total population in the same age group bought something online in 2024.

Myanmar

Domestic challenges: In addition to US tariffs, local issues such as rising inflation, natural disasters, and a high poverty rate are barriers to GDP recovery.

Connectivity is restricted: Restrictions such as VPN blocking in 2024 and a new cybersecurity law with controls over information flow limit access and increase compliance risk for platforms, advertisers, and content creators alike.

More domestic than international travel: International arrivals are still far below 2019 levels amid safety concerns. Travel demand is primarily domestic.

Digital payments for everyone: MMQR (MyanmarPay) was launched as the national QR standard this year, following changes to digital payment limits last year. Ewallets are seeing strong user growth as penetration and adoption of digital payments climb, moving the country towards greater digital financial inclusion.

Brunei

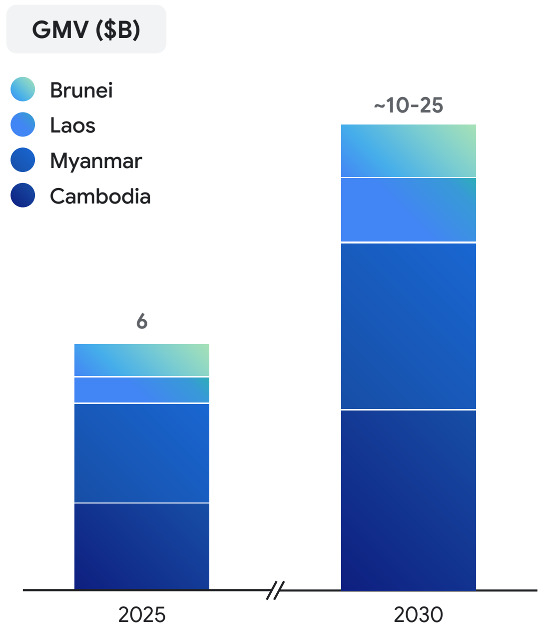
Uncertainty displaces the rebound: 2024 was a rebound year featuring low inflation and strong growth, led by oil and gas and national strength in trade, air transport, and communication. However, uncertainty looms over the outlook for 2025.

Different lanes for local and international players: Given Brunei's small market size, the digital economy has just a few key players. Local platforms lead in mobility and delivery, while international players dominate ecommerce. High internet and social media penetration make short video and creator commerce increasingly important in reaching consumers.

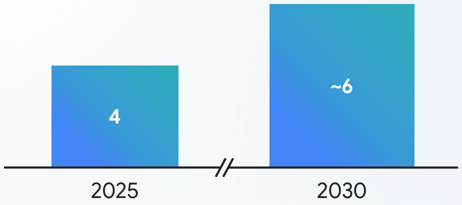
Digital identity and payments scaling: Brunei's national digital identity system, BruneiID, entered trial phase in March. In the same month, Brunei also launched tarus for instant payments and mandated all banks and payment systems operators to adopt national QR payment standards by 2027. All of these initiatives are part of Brunei's Digital Economy Masterplan 2025.

Collectively, the digital economies of ASEAN-4 reach $6B in 2025, driven by ecommerce, and transport and food

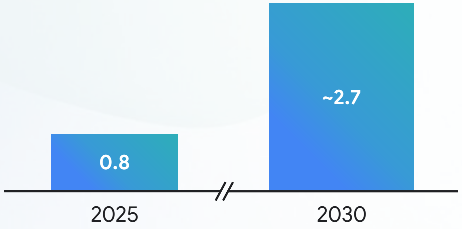
Overall digital economy



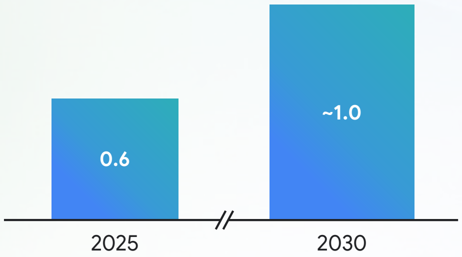
Ecommerce



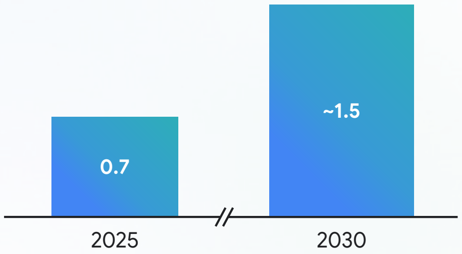
Transport and food



Online travel

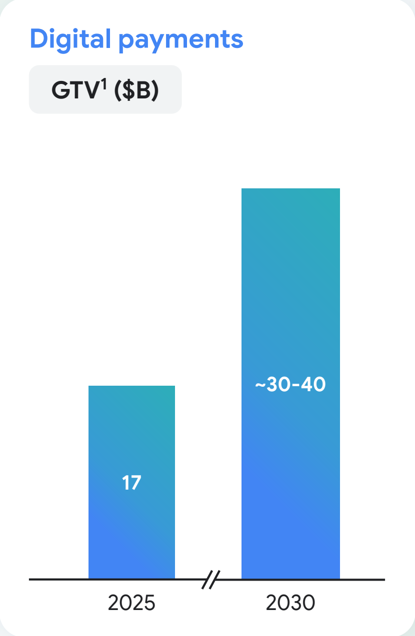


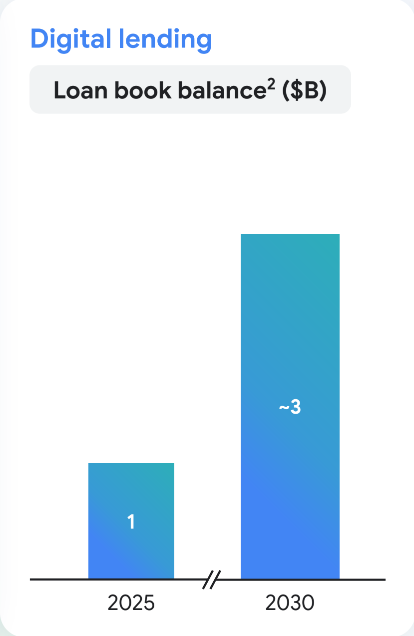
Online media

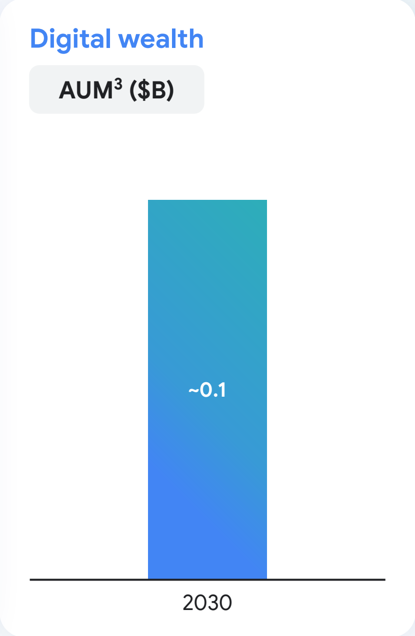


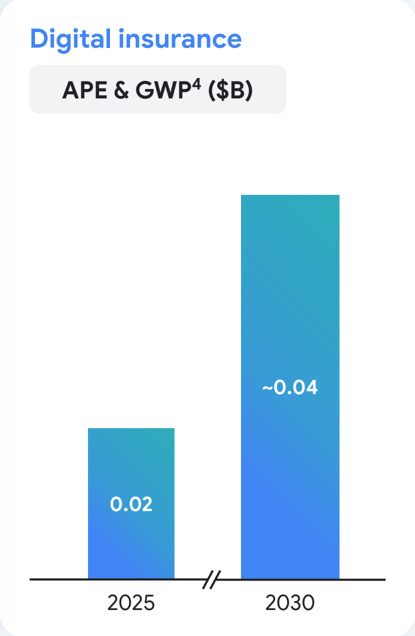
Source: Bain analysis

As with most SEA digital economies, DFS value is concentrated in payments









Notes: 1) Gross transaction value (GTV) for digital payments includes the value of credit, debit, prepaid card, account-to-account (A2A), and ewallet transactions. 2) Loan book balance for digital lending includes end-of-year balance for consumer loans (excluding credit card and mortgage) and small/medium enterprise (SME) loans. 3) Assets under management (AUM) for digital wealth includes end-of-year mutual fund AUM balance. Digital wealth 2025 omitted due to lack of clear evidence of mutual fund/collective investment scheme available through digital channels in ASEAN-4 at the time of report writing; 4) Annual premium equivalent (APE) and gross written premium (GWP) for digital insurance includes APE for life insurance and health under life insurance policies and GWP for non-life insurance.
Source: Bain analysis

Next-wave ASEAN markets show strong potential, with lower usage penetration but soaring AI app revenue in Myanmar and Cambodia

AI market momentum

+116% Myanmar
+86% Cambodia

revenue growth of apps with marketed AI features[1]

H1 2025 - H1 2024

82%

of users have learned about AI via various approaches

AI user behaviour

75% say they **interact with AI** tools and features every day

38% say they have conversations with and ask questions of **AI chatbots**

47% say they expect AI to **make decisions faster** and with less mental effort

AI adoption dynamics

Top motivations for using or paying for AI features

Saving time on research and comparisons	36%
Recommendations personalised according to preferences	30%
Enhanced security and fraud protection	29%

Consumer trust

Willingness to share data access with AI agents (e.g., shopping and viewing history, social connections)	95%
Privacy and data security concerns around agentic AI (average across ASEAN-10: 50%)	40%

Note: 1) Data available only for the listed markets.
Sources: Bain analysis; Sensor Tower 2024-2025; Google-commissioned Milieu Insight Study, n=7,200 across ASEAN-10, September 2025

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