Philippines

Country overview

Steady growth as the outlook softens

Growth remained steady in 2024 despite some challenges, bolstered by a record $38B in remittances. Families receiving this cash flow are, incidentally, more likely than others to use ecommerce, ewallets, and on-demand services. However, the government has revised its initially bullish outlook for 2025 in response to the 19% tariff rate levied by the US, even as low inflation and strong domestic demand are expected to mitigate the slowdown in exports.

Digital payments surge, opening doors to DFS growth

As more Filipinos adopt and use digital payments, QR Ph, InstaPay, and PESONet volumes have scaled. According to Bangko Sentral ng Pilipinas, digital transactions accounted for 57% of total monthly retail payment volume and 59% of value as of 2024, reflecting growing consumer trust in the technology. Ewallets are becoming more prevalent as the primary entry point into financial services as major ewallet providers continue their horizontal expansion into lending, wealth, and insurance. The central bank lifted its moratorium in January to grant up to 10 new digital bank licences this year, heralding more competition and innovation in the sector.

A dual-track digital acceleration

The Philippines is accelerating its digital economy via a dual-track strategy. The Konektadong Pinoy Act fosters competition to build foundational 'digital highways', enhancing internet affordability and access. The E-Governance Act complements this by digitising essential public services, driving mass adoption and creating a critical incentive for online engagement. This coordinated push on infrastructure supply and public service demand creates a powerful synergy, accelerating ecommerce, stimulating the fintech sector, and broadening digital inclusion.

Domestic tourism soars as international travel lags

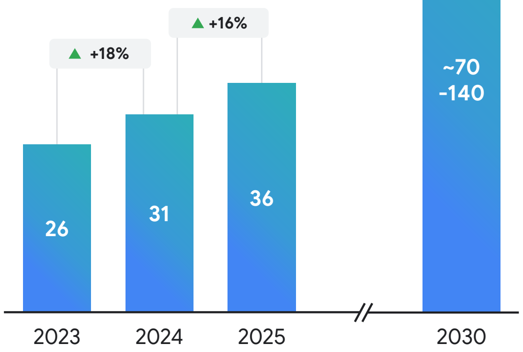
After hitting a record ~32M in 2024, domestic air passenger numbers continued their upward trajectory in H1 2025. The growth in domestic travel can be credited to promotional campaigns focusing on local culture and festivals. In contrast, the growth of international tourism is underperforming expectations, growing ~9% year-on-year to reach 6.0M in 2024 against a target of 7.7M. While policy changes, such as visa relaxations for tourists from key emerging markets, aim to boost arrivals, ongoing visa restrictions and geopolitical tensions are keeping visitor numbers from other major inbound markets below pre-pandemic levels.

Source: 1) Philippine Statistics Authority

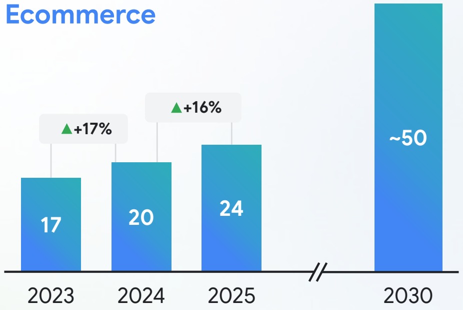
The Philippines' digital economy reaches $36B in 2025, led by double-digit growth across all sectors

Overall digital economy

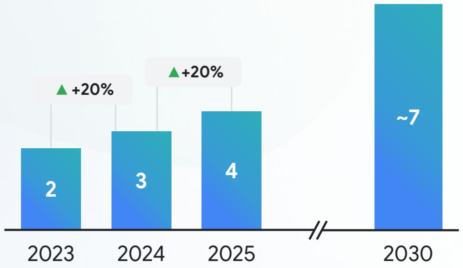
GMV ($B)



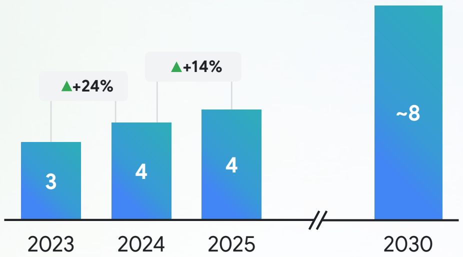
Ecommerce



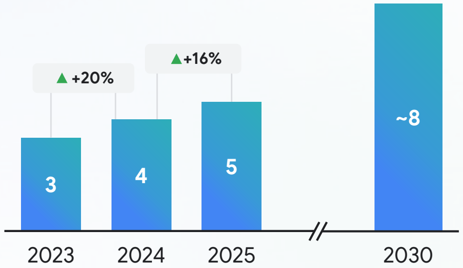
Transport and food



Online travel



Online media

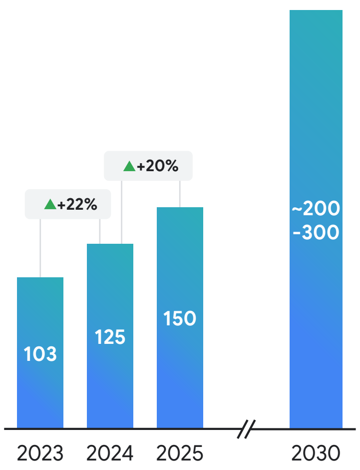


Note: The previously reported GMV for gaming (as a component of online media GMV) in 2023 has been revised.
Source: Bain analysis

Digital payments and wealth continue to drive DFS expansion

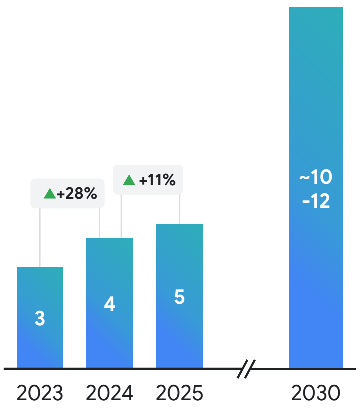
Digital payments

GTV[1] ($B)



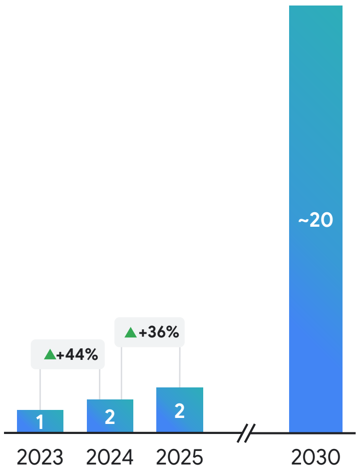
Digital lending

Loan book balance[2] ($B)



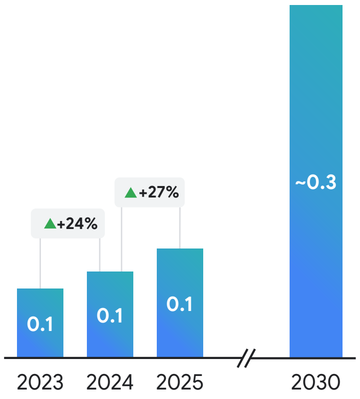
Digital wealth

AUM[3] ($B)



Digital insurance

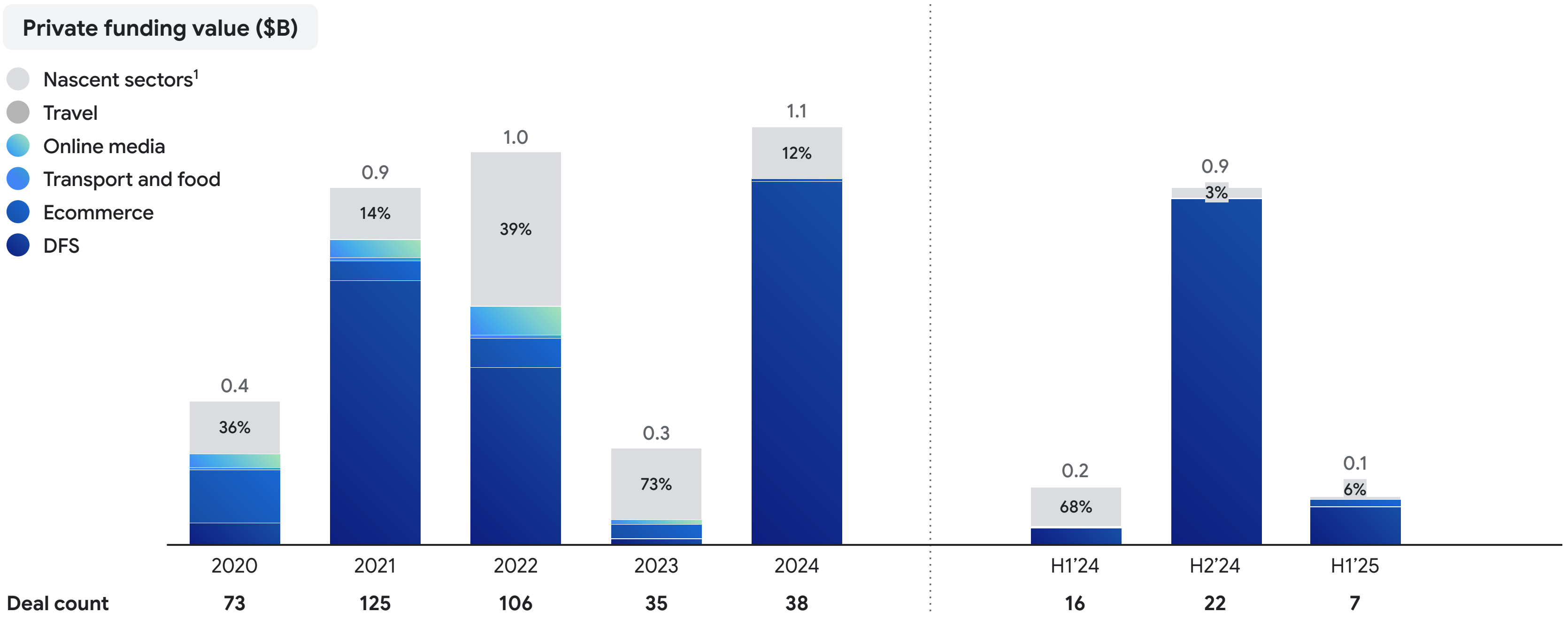
APE & GWP[4] ($B)



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. 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

Philippines

Private funding is boosted with investments in a leading local fintech player



Note: 1) Nascent sectors include new, emerging digital economy sectors such as software and services, sustainability technology, Web3, and others.
Source: Bain analysis

Despite the nascent investment landscape, users rank among the top in SEA for engagement with AI and are primed for the next wave of AI-powered services

AI market momentum

$30M
of private funding in AI[1]
H2 2024 - H1 2025

1%
share of ASEAN-10 AI investments[2]
H2 2024 - H1 2025

+79%
revenue growth of apps with marketed AI features
H1 2025 vs H1 2024

77%
of users have learned about AI via various approaches

AI user behaviour

74% say they **interact with AI** tools and features every day

65% say they have conversations with and ask questions of **AI chatbots**

51% 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	43%
Availability of 24/7 customer support	31%
Enhanced security	30%
Saving money through better deals	30%

Consumer trust

Willingness to share data access with AI agents (e.g., shopping and viewing history, social connections)	94%
Privacy and data security concerns around agentic AI (average across ASEAN-10: 50%)	56%

Note: 1) Private funding includes AI infrastructure, models, platforms, and AI-as-a-core-product and AI-as-a-feature offerings, and excludes data centres.
2) The country's percentage share of total AI funding invested in ASEAN-10 during the time period observed.
Sources: Bain analysis; Sensor Tower 2024-2025; Google/Milieu, The Impact of AI on the Digital Consumer in ASEAN, ASEAN-10, September 2025, n=7,200 consumers

Video commerce sellers and transactions are growing rapidly in a high-volume and low-cost market

Video commerce category breakdown

% of GMV	Category
10%	Other
3%	Food and beverage
6%	Health and baby
7%	Everyday supplies
8%	Home and tools
14%	Phones and electronics
23%	Beauty and personal care
28%	Fashion and accessories

Sellers

Number of sellers and stores

475K

90% YoY

Top 10 sellers

The top 10 sellers per category drive

25%

of total category transactions

Transactions

Transaction volume

1.2B

35% YoY

Average order value

Video commerce AOV in Philippines

Note: Average order values are indicative of the range for most video and live-selling transactions.
Source: Cube, SEA 2025

e-Conomy SEA 2025 (10th)

From Digital Decade to AI Reality: Accelerating the future in ASEAN

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