e-Conomy SEA 2026

Building the intelligent economy



Google TEMASEK BAIN & COMPANY

Philippines



Country overview

AI adoption and usage have potential to grow with policy support and evolving behaviour

AI adoption in the Philippines is accelerating, with 53% of the working population using GenAI. Momentum is underpinned by national initiatives like the rollout of NAICRI in 2026 for AI research and computing, alongside NPC frameworks. Overall, digital adoption and usage depth are lower than more mature regional markets. This indicates substantial headroom for both user penetration and the frequency of usage to deepen significantly over time.

Digital economy deepens through acceleration in digital payments and sustainable monetisation

Across sectors, the digital economy is moving towards greater formalisation and sustainable monetisation. Digital financial services continue to expand, buoyed by new digital bank licences and interoperable InstaPay merchant rails, which have propelled digital payments to grow 23% YoY. Meanwhile, ecommerce platforms are scaling seller monetisation at the same time that the Internet Transactions Act takes effect; and in mobility, competition is maturing with a stronger focus on regulatory compliance and driver availability.

Headwinds persist, but significant headroom drives long-term AI and digital growth

Despite near-term operational hurdles and macroeconomic headwinds, such as inflationary spikes and central bank rate hikes, the digital economy maintains strong resilience. Long-term growth remains highly promising, anchored by significant untapped user potential, advancing financial inclusion, robust structural drivers, and substantial headroom for increased AI adoption across the country.

Notes: AI = artificial intelligence; GenAI = generative AI; NAICRI = National AI Center for Research and Innovation; NPC = National Privacy Commission; YoY = year-over-year
Sources: Bangko Sentral ng Pilipinas (BSP); Philippines Statistics Authority; Land Transportation Franchising and Regulatory Board (LTFRB); Bureau of Internal Revenue (BIR); Google/YouGov, Uncovering AI Adoption, Trust, and Autonomy in SEA, SEA-6, July 2026, n=9,006 AI users; Bain analysis

Philippines

AI adoption in the Philippines is growing fast, while usage depth still lags behind more mature markets in the region

Ranking vs other SEA countries

#6 in AI adoption

53% of the working population are GenAI users

#5 in AI usage depth

The Philippines' AI usage is the second lowest in SEA-6, as measured by token utilisation

Receptivity to AI



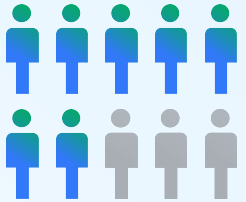
1 in 4

AI users say they use AI every day



1 in 2

users say they trust AI more vs last year



7 in 10

users are willing to delegate purchases to AI

Note: SEA = Southeast Asia
Sources: Google/YouGov, Uncovering AI Adoption, Trust, and Autonomy in SEA, SEA-6, July 2026, n=9,006 AI users; Bain analysis

Philippines

AI usage in the Philippines has significant headroom to deepen

AI user behaviour

42M GenAI users in 2026, **53%** of the working population

55B annual AI queries

1.87 AI sessions per week on average[1]

21% of AI conversations happen in a local language other than English

Use case highlights: **Creative and professional uses dominate.** Gemini prompts for customer support content is nearly 3X the SEA average

- **AI adoption in the Philippines is broad, but engagement remains light.** Users average ~1.8 AI sessions per week and 14% of the population use AI daily, the lowest in the region.
- **The leading toolset is concentrated among global platforms.** AI adoption is driven by first-moving Western apps.
- **Local-language usage is meaningful but not dominant.** While local-language usage is substantial at 21% of conversations, most interactions happen in English, and this is unlikely to change.

AI in the digital economy

33% of consumer journeys begin with AI

Top verticals by AI usage

#1 Study

#2 Work

#3 Health

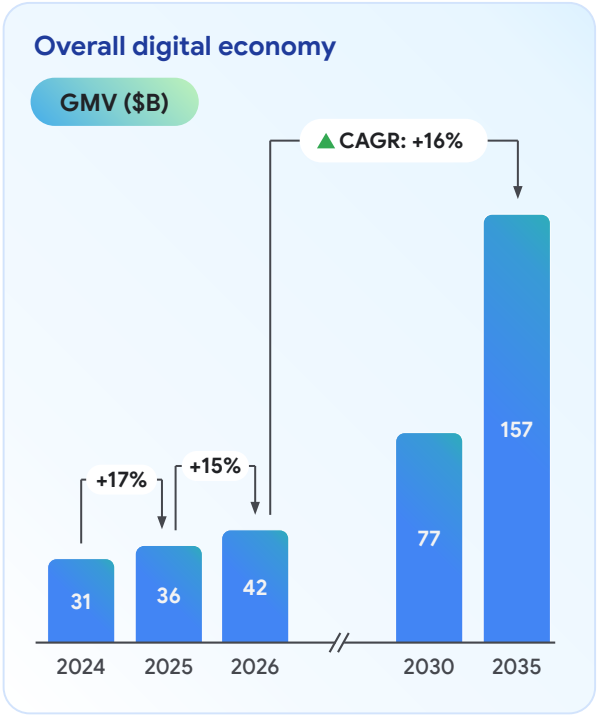
#4 Online shopping

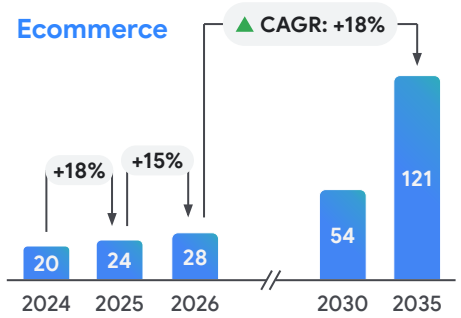
#5 Entertainment

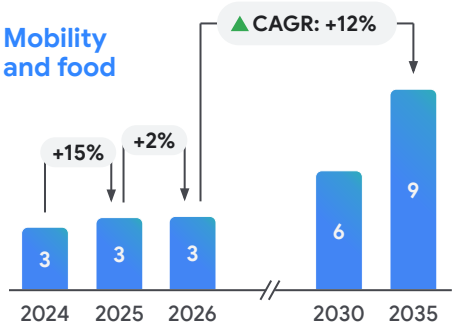
Notes: M = million; B = billion. 1) Excludes work-, study-, and health-related use cases.
Sources: Google/YouGov, Uncovering AI Adoption, Trust, and Autonomy in SEA, SEA-6, July 2026, n=9,006 AI users; Google Gemini Report Southeast Asia 2026; Bain analysis

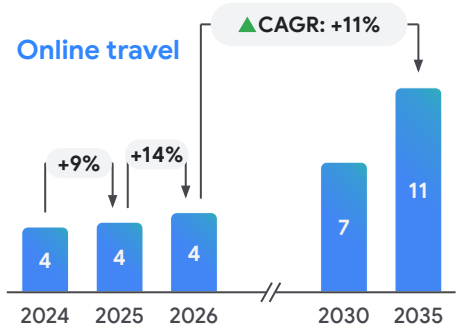
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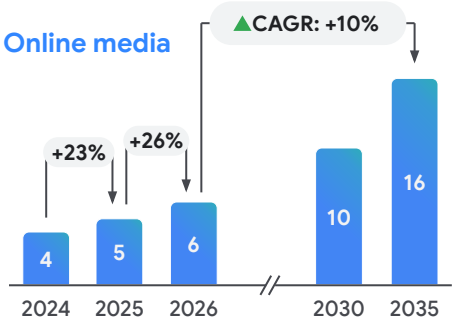
GMV reaches $42B, as online travel and online media accelerate











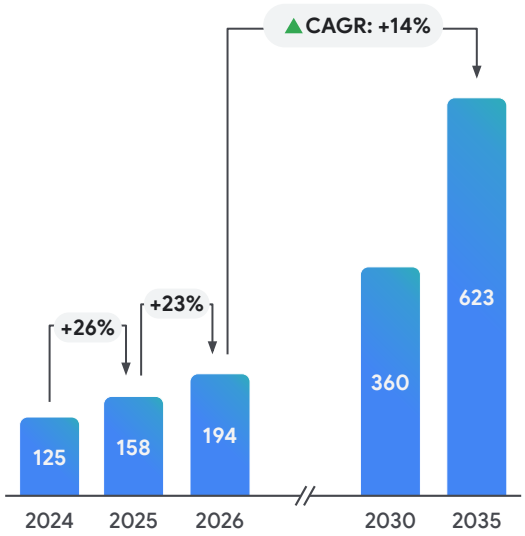
Note: GMV = gross merchandise value
Source: Bain analysis

Philippines

Digital payments continue to drive the expansion of digital financial services

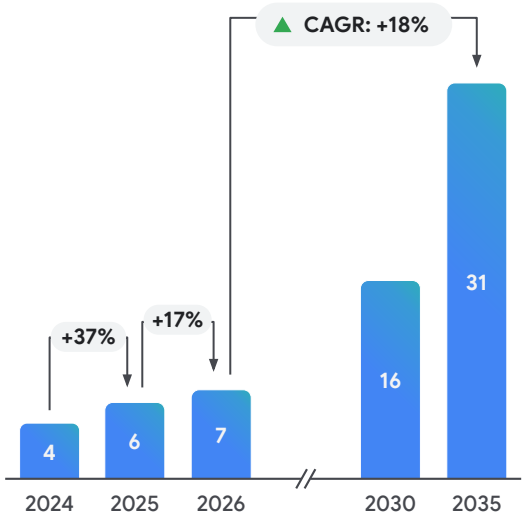
Digital payments

GTV[1] ($B)



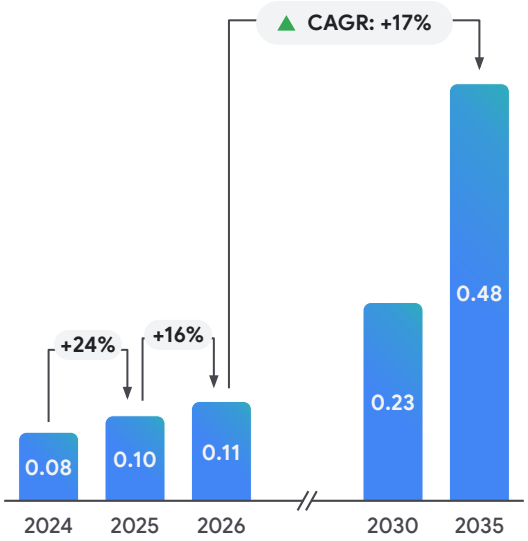
Digital lending

Loan book balance[2] ($B)



Digital insurance

APE & GWP[3] ($B)

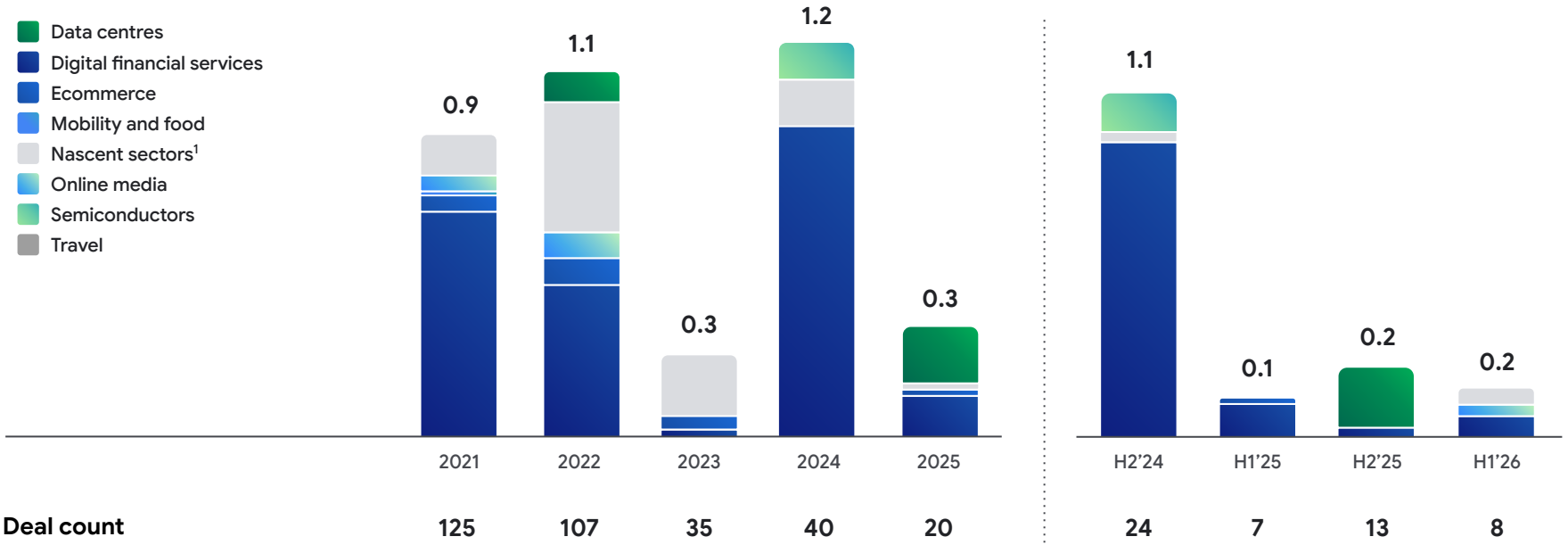


Notes: 1) Gross transaction value (GTV) for digital payments includes the value of credit, debit, prepaid card, account-to-account (A2A), and ewallet transactions. 2) Loan book balance for digital lending includes end-of-year balance for consumer loans (excluding credit card and mortgage) and small/medium enterprise (SME) loans. 3) 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 muted across sectors

Private funding value ($B)



Notes: 1) Nascent sectors include new, emerging digital economy sectors such as software and services, sustainability technology, Web3, and others. Private funding value excludes public financing deals (e.g., PIPE, IPO, ICO).
Source: Bain analysis

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