

Google

TEMASEK

BAIN & COMPANY



e-Conomy

SEA 2021

Roaring 20s: The SEA Digital Decade

SINGAPORE

e-Conomy SEA research methodology



Primary research*



Temasek insights



Bain analysis



Google Trends



Expert interviews & industry sources

In partnership with



Note: All dollar amounts in this report are in USD.

*Google commissioned Dynata to run a SEA-6 Digital Merchant Survey, and Kantar to run the e-Conomy SEA consumer survey. Both research studies were conducted in Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. Fieldwork for the consumer research ran from 16/07/2021 - 16/08/2021 online via a 25-minute Computer Assisted Web Interview survey with a total of 9,402 respondents interviewed. Fieldwork for the merchant research ran from 04/08/2021 - 16/08/2021 online with a total of 3,036 respondents surveyed. The 2020 GMV numbers have also been updated with more up-to-date estimates.

Singapore

Main takeaways

Consumers cruise into a new way of life

Singapore has seen 0.5M new digital consumers since the start of the pandemic (up to H1 2021). With **97% of internet users also being digital service consumers**, penetration remains highest in the region. Breadth of usage is growing - **pre-pandemic users have consumed an average of 2.9 more services since the pandemic began** - while **93% of pandemic consumers have remained users** and **99% intend to continue using the services going forward**.

Resilience gives way to resurgence

Overall, after a decline in 2020, all internet sectors rebounded strongly in 2021. **Singapore's 2021 GMV is expected to reach \$15B - a 35% YoY surge**. This increase is underpinned by a **45% growth in e-commerce**, with significant innovation in e-grocery. Digital financial services also remained in focus, with four digibank licences awarded by the Monetary Authority of Singapore (MAS) and significant investments in the financial market infrastructure. Looking at **2025, the overall internet economy will likely reach \$27B in value**, growing at 16% CAGR.

Digital merchants take off

In Singapore, **38% of digital merchants believe that they would not have survived the pandemic if not for digital platforms**. While digital merchants use an average of two digital platforms, profitability remains a top concern. Digital financial services are also becoming critical enablers, with **89% of digital merchants now accepting digital payments** and **37% of digital merchants now adopting digital lending solutions**. Many are also embracing digital tools to engage with their customers, with **43% expecting to increase usage of digital marketing tools** in the next five years.

Funding on track to reach new heights

Deal activity rebounded strongly in the first half of 2021 and is on track to outpace the activity of recent years as investors become accustomed to the 'new normal' of dealmaking. **Singapore added the most new unicorns this year**, and continues to be an attractive hub for the regional digital economy. **Investment appetite remains strong** in digital services that surged as a result of COVID-19, such as e-commerce, e-commerce enablers, and fintech.

Singapore

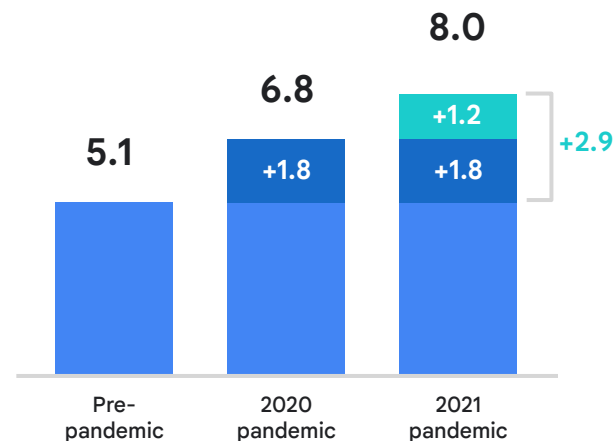
Exponential growth in digital consumers (who intend to continue using digital services)

Penetration

- Pre-pandemic consumers: **87.2%**
- New digital consumers 2020: **6.4%**
- New digital consumers 2021 (H1): **3.3%**
- Non users: **2.9%**

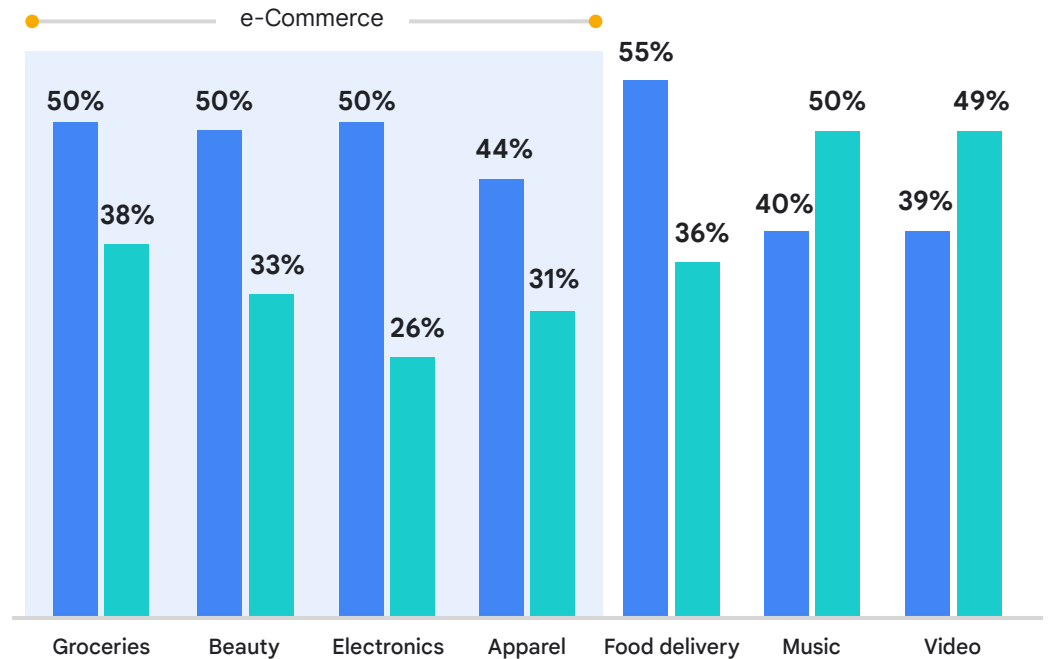


Average number of new digital services consumed by a pre-pandemic user over time



Reasons consumers continue using digital services

- Made my life easier / more convenient
- Became part of my routine



Source: Google-commissioned Kantar SEA e-Conomy Research 2021.

Note: 'Pre-pandemic consumers' are defined as internet users who were already paying for one or more online services via digital channels in a vertical before Mar 2020. 'New digital consumers 2020' first started paying for one or more online services on digital channels in any vertical for the first time between Mar to Dec 2020. 'New digital consumers 2021 (H1)' first started paying for one or more online services on digital channels from Jan 2021 onwards.

Singapore

Digital merchants are getting **tech-savvy** and expect to become even more so in the future

Digital platforms

38%

believe that they would **not have survived the pandemic** if not for digital platforms

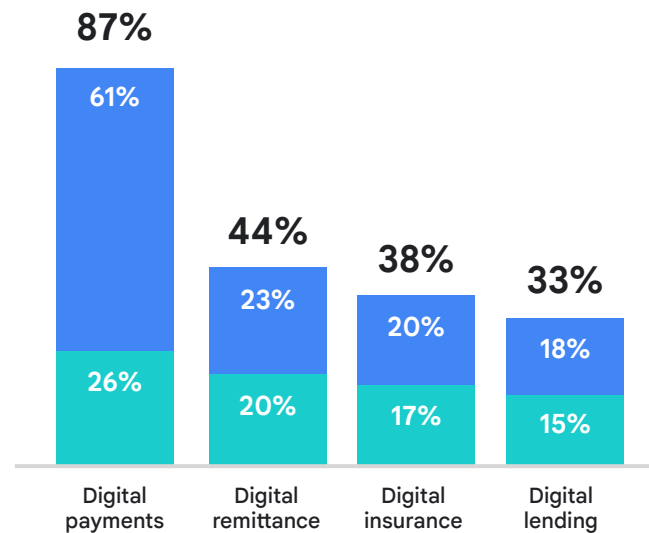
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average number of **digital platforms** used to access consumer demand online

Digital financial services

% of digital merchants likely to increase or maintain usage of digital financial services in the next 1 to 2 years

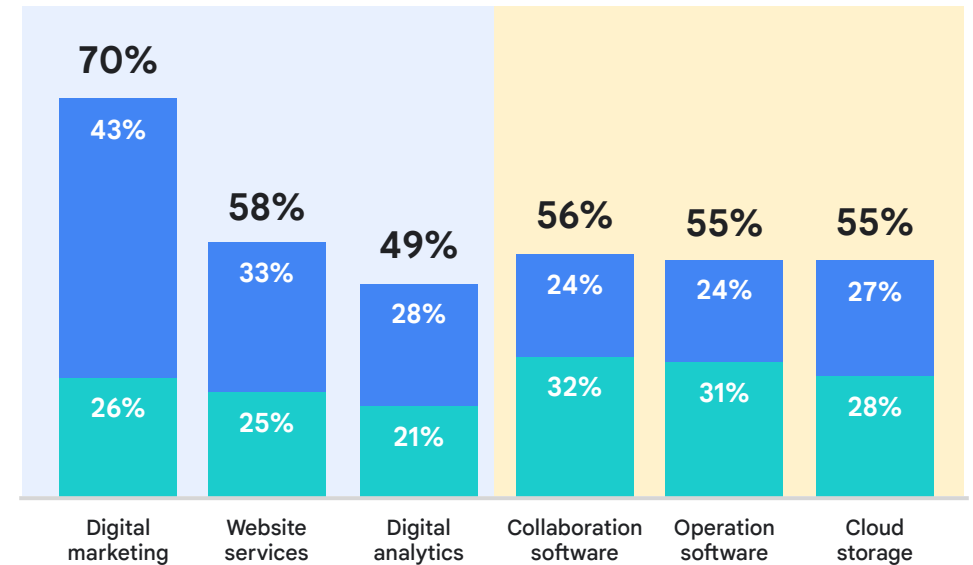
● Likely to increase usage ● Likely to maintain same usage



Digital tools

% of digital merchants likely to increase or maintain usage of digital tools over the next 5 years

● Likely to increase usage ● Likely to maintain same usage

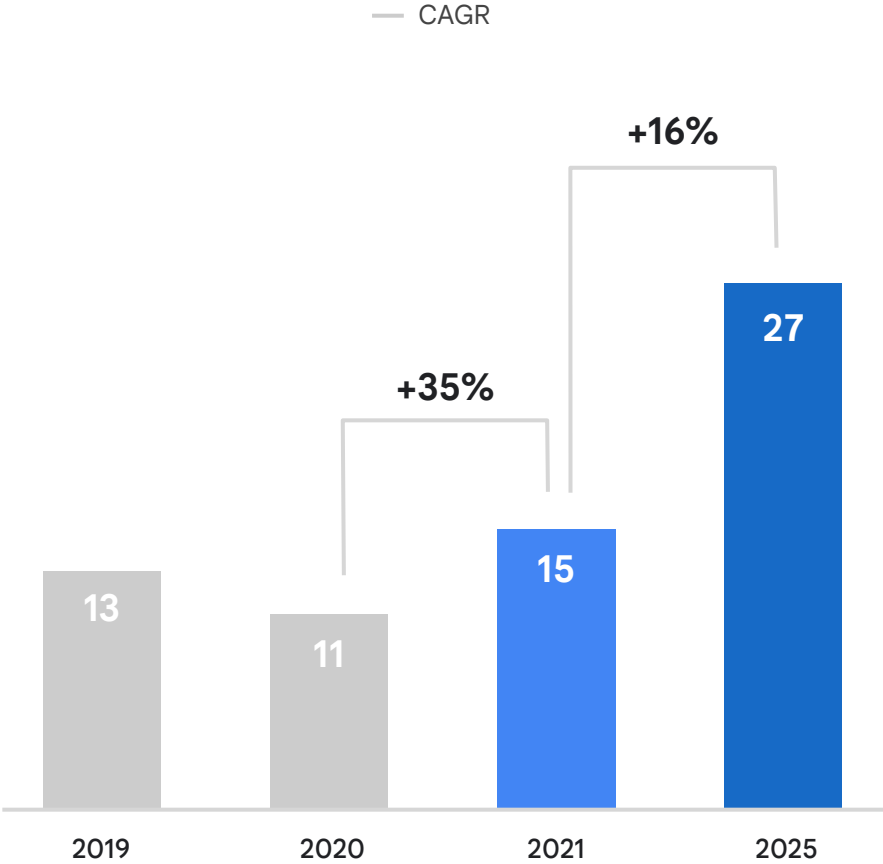


Singapore



Internet economy reaches **\$15B** despite significant challenges due to lockdowns

Internet economy by GMV (\$B)

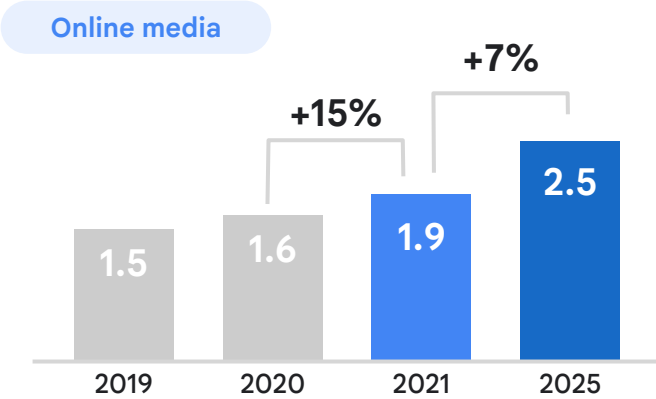
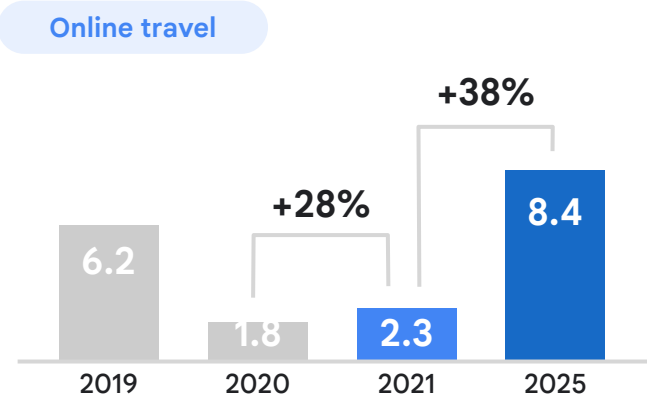
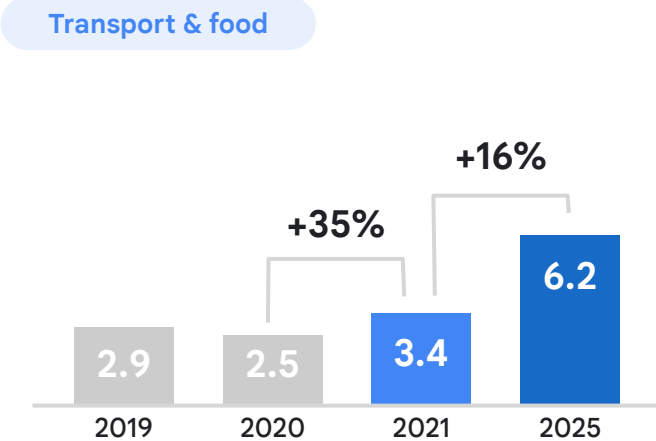
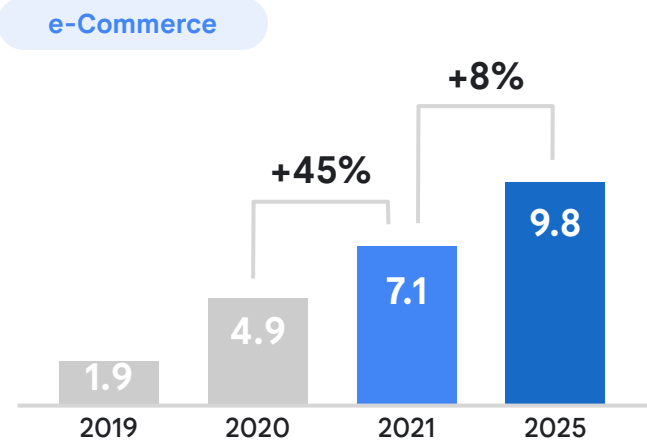


Source: Bain analysis.

Singapore

Healthy surge in all sectors after a difficult 2020

GMV per sector (\$B)

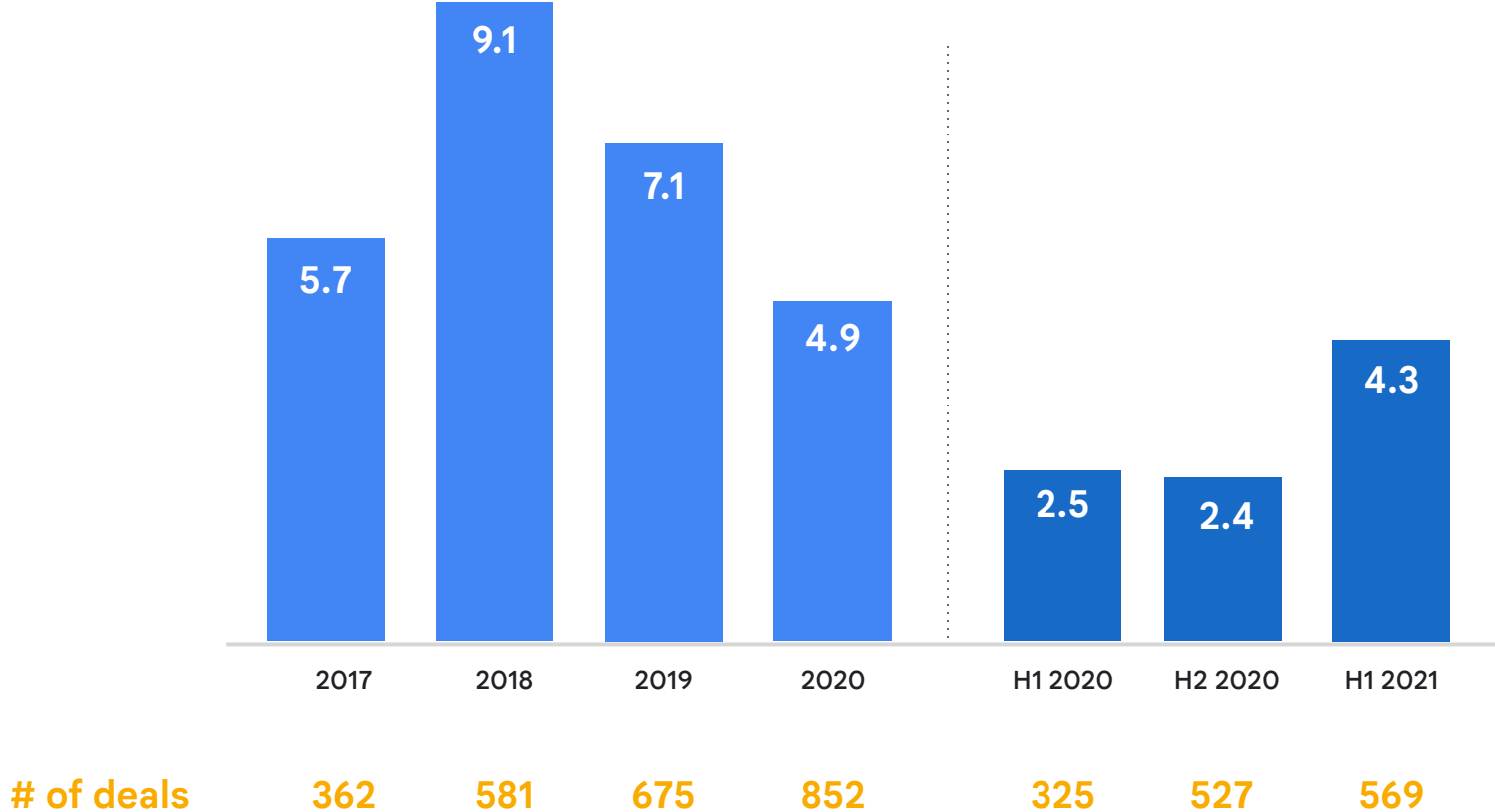


Source: Bain analysis.

Singapore

2021 on track to catch up to 2018 - Singapore's busiest deal year so far

Deal value (\$B)



Source: Industry reports; VC partners; Bain analysis.
Note: Deals include investments by venture capital, private equity and strategic investors.