

Google

TEMASEK

BAIN & COMPANY 

e-Conomy SEA 2024

Profits on the rise, harnessing SEA's advantage





Singapore





Country overview

More inclusive policies and skills development programmes

Amidst easing inflation and a positive overall economic outlook, the government is implementing leading-edge, inclusive programmes to navigate global headwinds and propel the digital economy. These include initiatives such as the National Digital Literacy Programme and the TechSkills Accelerator. Furthermore, the recently enacted Platform Workers Act represents a significant stride towards greater protection and inclusivity within the digital economy.

AI innovations take centre stage in Singapore's thriving tourism scene

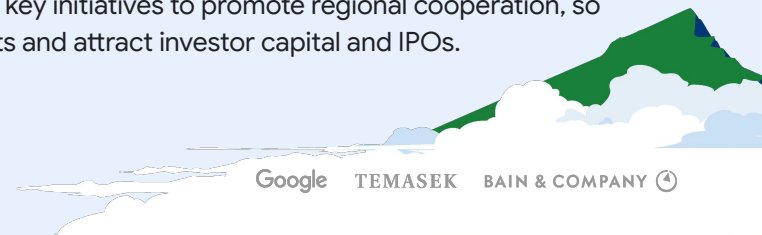
Singapore's tourism industry is experiencing a remarkable surge in 2024, propelled by excellent global flight connectivity, strategic tourism marketing campaigns, and exciting new attractions. AI is playing a key role, powering chatbots that offer personalised recommendations, analysing visitor data to optimise marketing strategies, and enhancing visitor experiences through interactive exhibits and bespoke guides.

Enduring appeal to investors and capital inflow

Singapore continues to be a highly attractive destination for foreign investment, due to its stable political environment, robust infrastructure, and pro-business policies. Initiatives such as the Global Investor Programme and tax incentives offered by the Economic Development Board play a key role in attracting substantial foreign capital. Furthermore, Variable Capital Company (VCC) 2.0 is proving effective in attracting investment funds and family offices.

Singapore continues to be a tech and fundraising hub as SGX takes steps to improve the exit environment

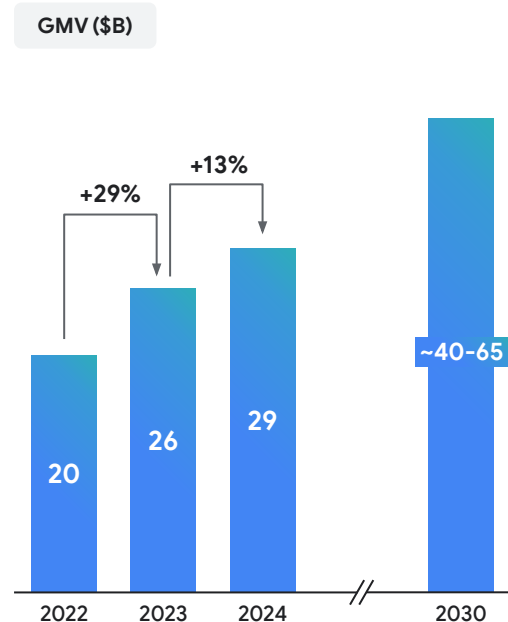
Singapore remains a central hub for venture capital and private equity, bolstered by its status as the regional headquarters for many major technology companies. The presence of these industry giants cultivates a strong talent pool, fosters innovation, and attracts further investment. To maintain the country's competitive edge, SGX has implemented key initiatives to promote regional cooperation, so as to improve exits and attract investor capital and IPOs.



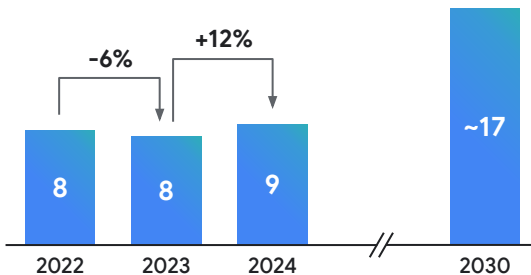


E-commerce rebounds, as travel continues on a growth trajectory

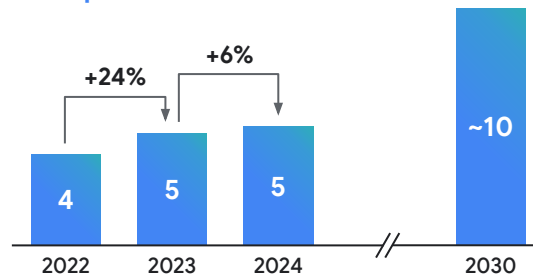
Overall digital economy



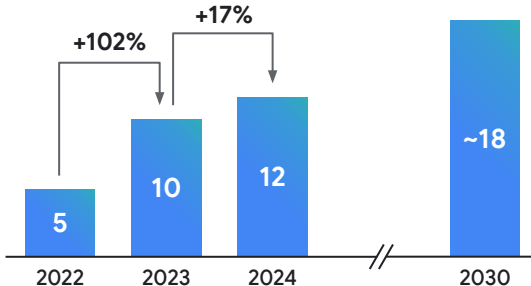
E-commerce



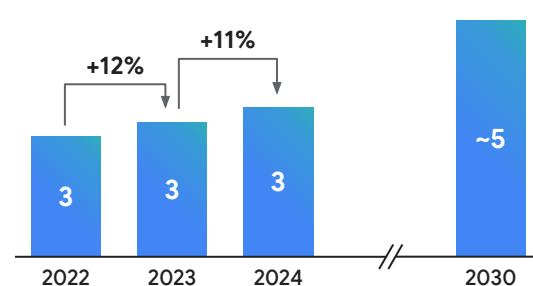
Transport and food



Online travel



Online media



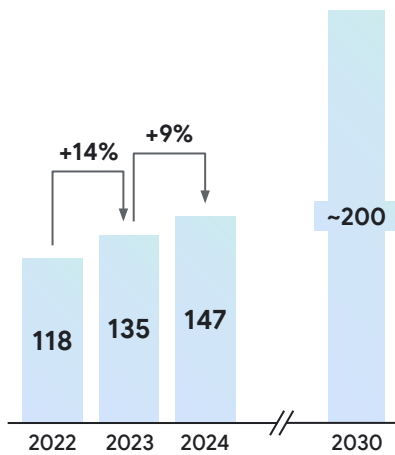
Note: Only OTAs are included in "Travel".
Source: Bain analysis



Digital payments and wealth are projected to lead strong growth in DFS

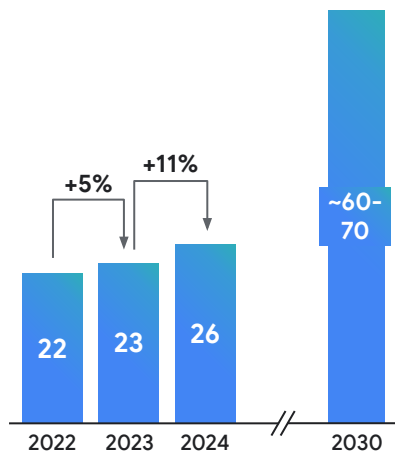
Digital payments

GTV¹ (\$B)



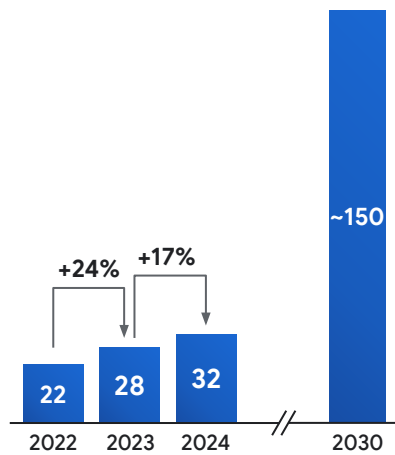
Digital lending

Loan book balance² (\$B)



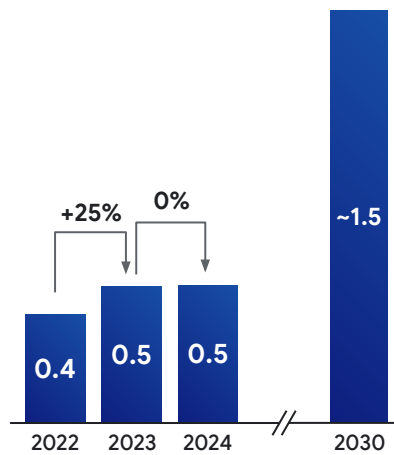
Digital wealth

AUM³ (\$B)



Digital insurance

APE & GWP⁴ (\$B)

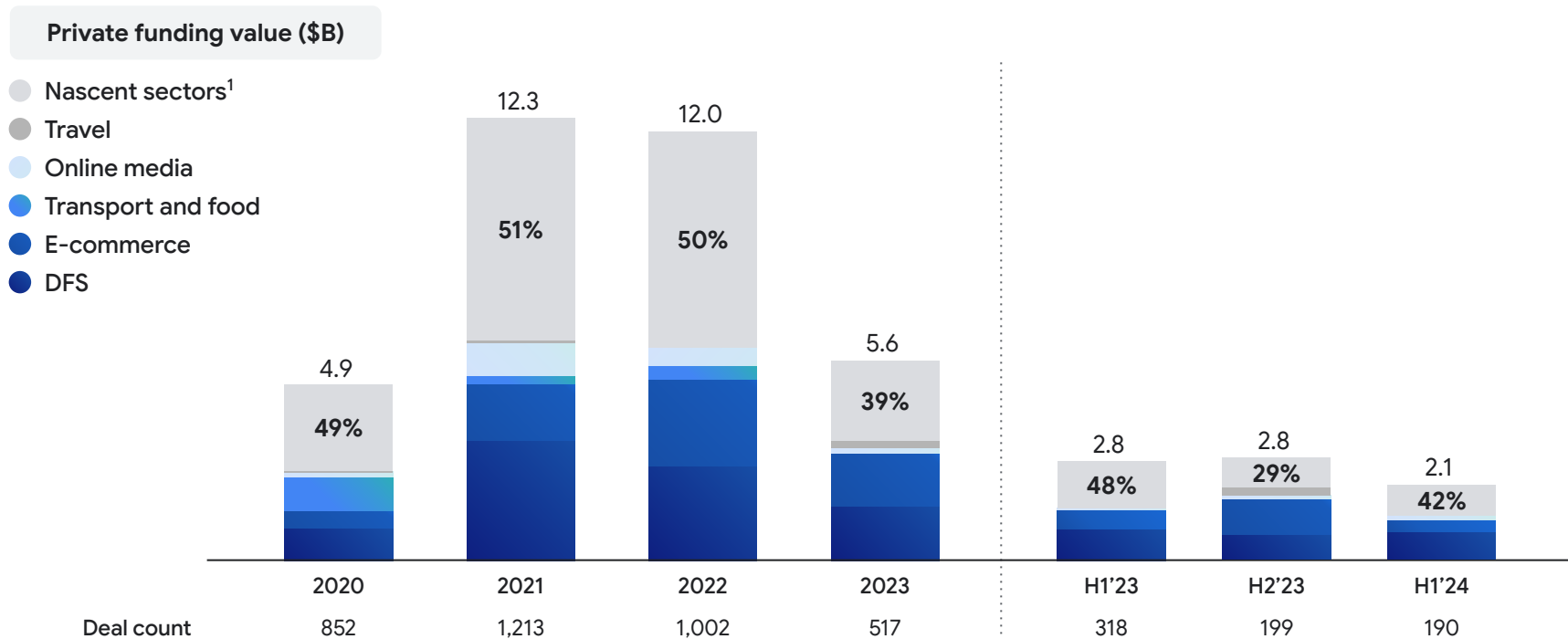


Notes: 1) Gross transaction value (GTV) for digital payments includes the value of credit, debit, prepaid card, account-to-account (A2A), and e-wallet transactions. 2) Loan book balance for digital lending includes end-of-year balance for consumer loans (excluding credit card and mortgage) and small/medium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



DFS dominates in H1 2024 as overall funding declines



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



High level of interest in and adoption of AI, complemented by government initiatives and a thriving tech ecosystem

Top industries driving AI search interest¹

#1

Education

#2

Travel

#3

Marketing

#4

Gaming

#5

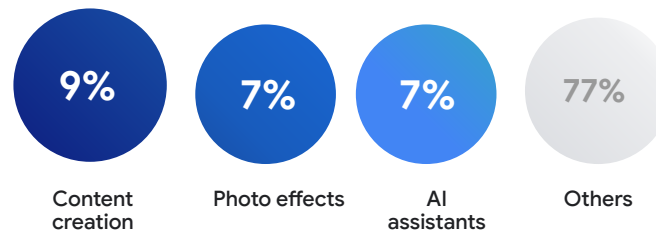
Healthcare

#6

Automotive

Mobile app download share by AI feature

Not to scale



Notes: 1) Indexed interest per capita. Top industries driving AI search interest refers to AI-related search topics that are relevant to the respective industries.

Sources: Google internal data, SG, 01-08/2024; Euromonitor Population; data.ai, SG, 01-08/2024

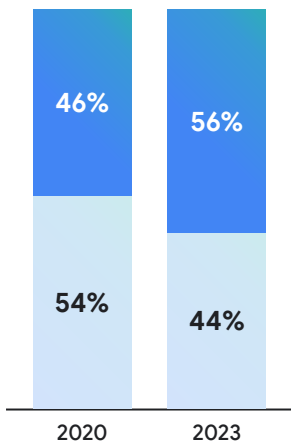


English dominates consumer searches and creator content in multilingual Singapore

Consumer trends¹

Category exploration²

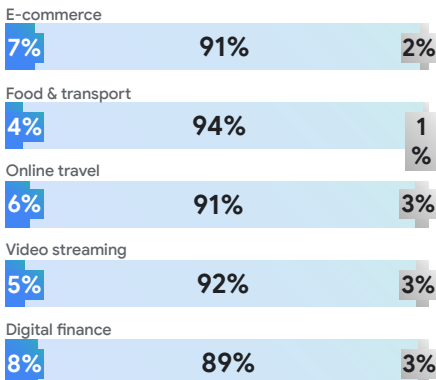
- Non-branded, broad
- Brand-specific



Local language usage³

98%

- Chinese, Malay, Tamil
- English
- Others



Creator economy⁴

Brand creators⁵

+8%

2Y CAGR of the number of brands with video channels in consumer categories

Video influencers⁶

+18%

2Y CAGR of the number of video influencers focusing on consumer categories

Uploads

+19%

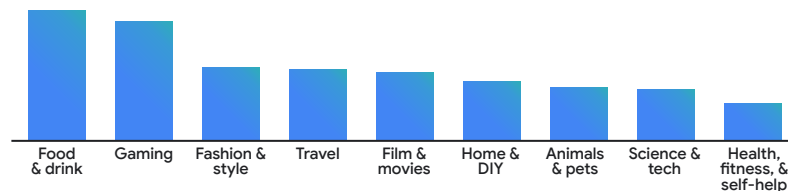
2Y CAGR of the number of video uploads

Language⁷

69%

of video creators create content primarily in English

Number of creators by consumer category⁷ (Indexed)



Notes: 1) All data reflect searches across SG, and across digital economy sectors unless otherwise stated. 2) "Category exploration" refers to non-branded searches using broad terms vs brand specific searches, expressed as a percentage of all searches. Data from 01/2020 to 12/2023. 3) "Local language usage" refers to searches in the national language(s), expressed as a percentage of all searches. Data from 01/2023 to 12/2023. 4) Comparisons are between Q2'22 and Q2'24, for video creators in SG with more than 10,000 followers. 5) Brand creators are organisations whose primary line of business is not related to media. 6) Video influencers are video creators who are persons and public figures with significant social presence. 7) As of Q2'24.

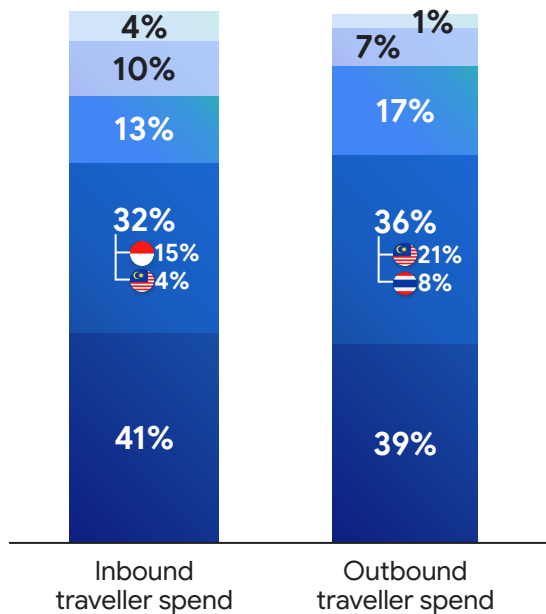
Source: 1) Google internal data, SG, 01/2020-12/2023. 4) Tubular, SG, Q2'22 vs Q2'24



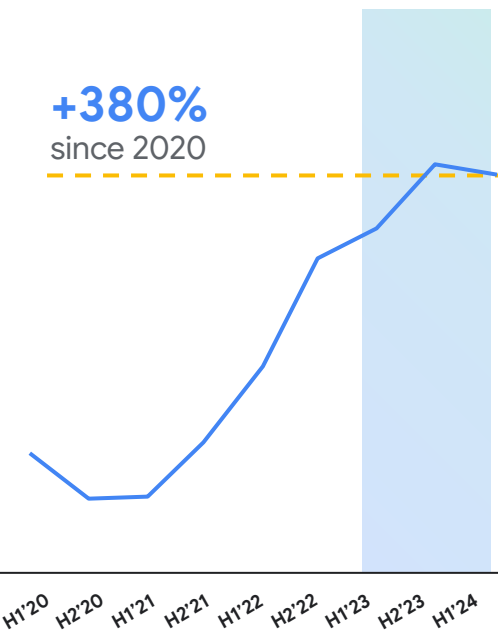
Mirrored distribution of inbound and outbound travel spend

Traveller spend

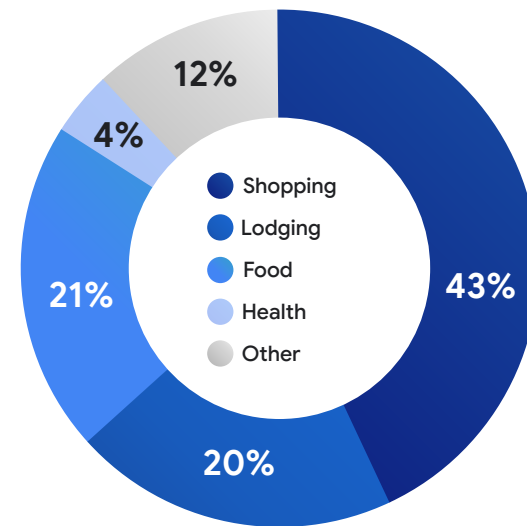
- Middle East
- Europe
- North America
- SEA
- Asia Pacific ex-SEA



Outbound traveller spend



Top outbound travel spend categories



Source: Visa, Global, H2'20-H1'24. On this slide, SEA includes KH, BN, and MM in addition to ID, MY, PH, SG, TH, and VN. World regions with low traveller spend have been excluded.

Google

TEMASEK

BAIN & COMPANY 

e-Conomy SEA 2024

Profits on the rise, harnessing SEA's advantage

