Singapore

Country overview

Global headwinds disrupt the growth trend

Global headwinds are expected to temper Singapore's economic growth in H2 2025, following a strong H1. Although Singapore came away with the lowest tariff rate among the rates imposed by the US on various ASEAN markets, its high trade-to-GDP ratio of approximately 3:1 makes it particularly susceptible to external shocks. In response, the government has deployed a multifaceted strategy to mitigate the impact, which includes establishing a tariff task force to support local businesses, expanding trade partnerships with ASEAN and the EU, and easing its monetary policy to allow for a slower appreciation of the Singapore dollar.

Asserting AI leadership through governance, talent, and hub development

Singapore is actively shaping AI governance, fostering local talent, and investing in becoming a premier AI hub. The government is spearheading initiatives to ensure the responsible use of AI across all sectors, including developing new methodologies for testing cultural and linguistic biases in large language models and creating a testing starter kit to manage risks in new generative AI applications. Furthermore, significant investments are being made in developing a skilled AI workforce and attracting top engineering talent to establish Singapore as a leading centre for AI innovation and development.

Premium events and experiences fuel tourism growth

Singapore's tourism sector is experiencing a significant shift towards higher-value spending, with visitor expenditure reaching an all-time high in 2024. This surge is fueled by a strategic focus on premium experiences, including world-class entertainment, major sporting events, and high-end gaming, attracting a significant influx of visitors with higher discretionary spending. This momentum is supported by the Singapore Tourism Board's partnerships with leading international entertainment brands, positioning the nation as a top-choice destination.

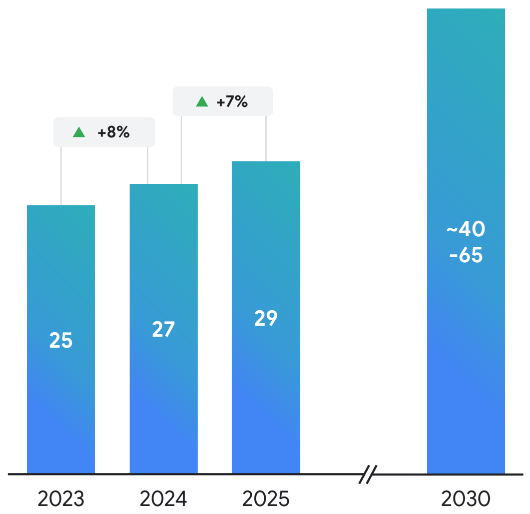
Digital banks find their niche

In a highly penetrated banking market, Singapore's five licensed digital banks are demonstrating a viable path to sustainability, with most narrowing their losses in 2024. These new entrants have successfully carved out niches in areas like SME banking and micro-consumer credit. Their growth is significantly propelled by strategic ecosystem partnerships, which provide access to existing customer bases for cross-selling and transaction data for loan underwriting.

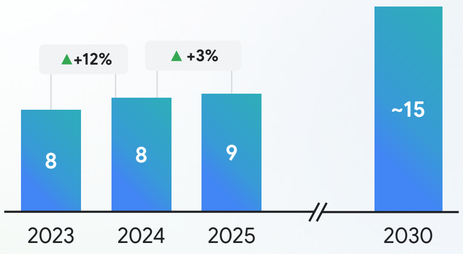
Singapore's digital economy reaches $29B in 2025 as transport and food, and online media accelerate

Overall digital economy

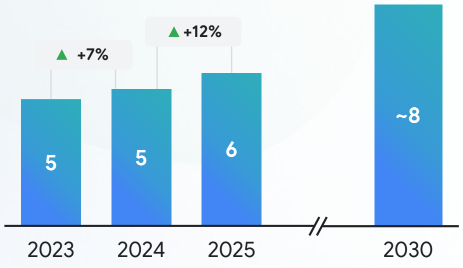
GMV ($B)



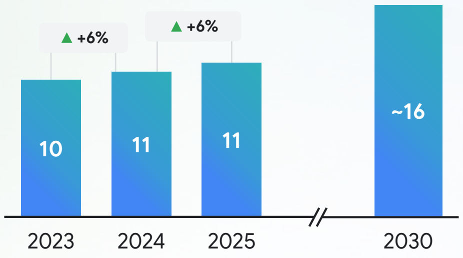
Ecommerce



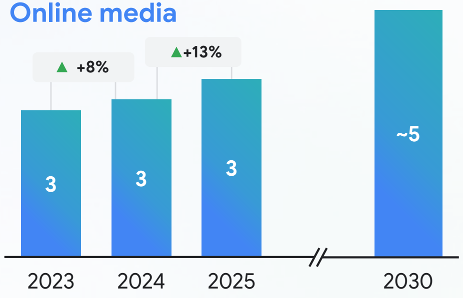
Transport and food



Online travel



Online media

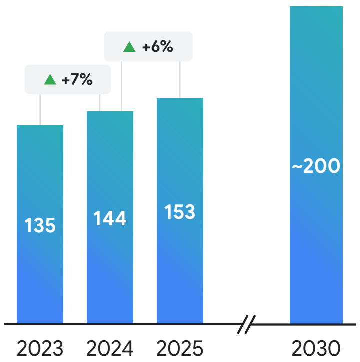


Source: Bain analysis

Digital lending and wealth are expected to lead growth in DFS

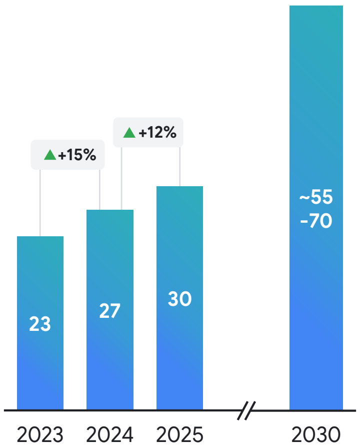
Digital payments

GTV[1] ($B)



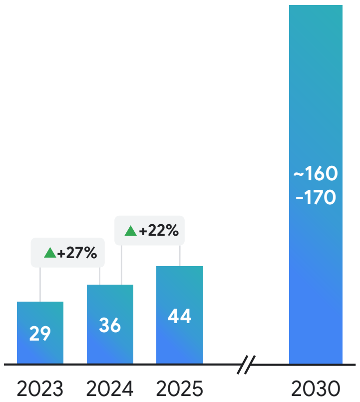
Digital lending

Loan book balance[2] ($B)



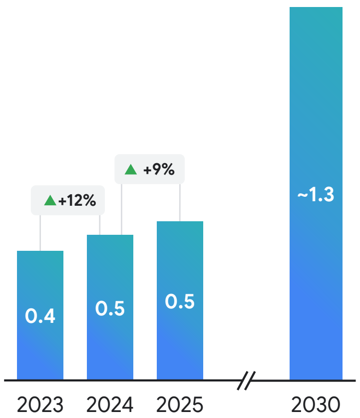
Digital wealth

AUM[3] ($B)



Digital insurance

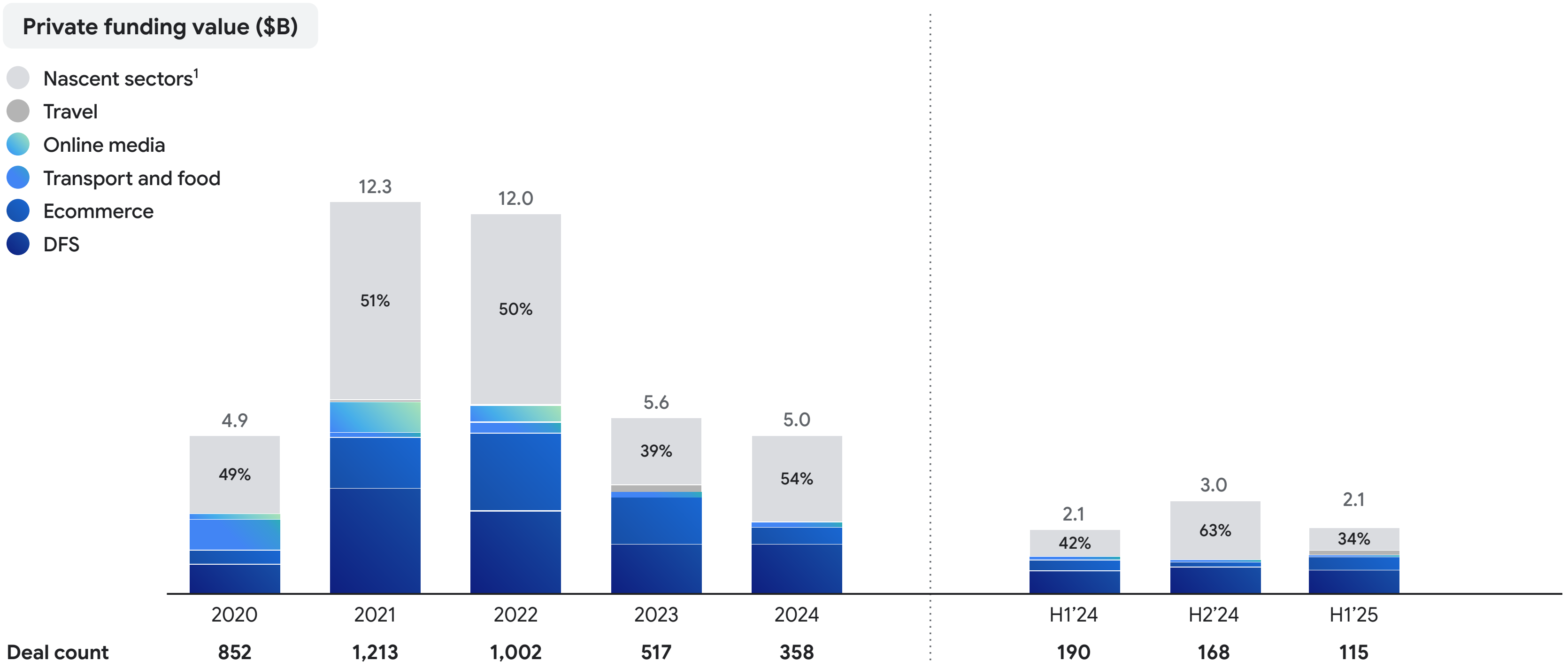
APE & GWP[4] ($B)



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. The previously reported number for 2023 has been revised. 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. The previously reported number for 2023 has been revised.
Source: Bain analysis

Singapore

The private funding environment is stabilising but remains muted



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

Singapore cements its status as SEA's AI investment hub, commanding $1.31B in private funding

AI market momentum

$1.31B
of private funding in AI[1]
H2 2024 - H1 2025

55%
share of ASEAN-10 AI investments[2]
H2 2024 - H1 2025

+99%
revenue growth of apps with marketed AI features
H1 2025 - H1 2024

67%
of users have learned about AI via various approaches

AI user behaviour

65% say they **interact with AI** tools and features every day

60% say they have conversations with and ask questions of **AI chatbots**

42% 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	45%
Saving money through better deals	41%
Free trial periods with no commitment	28%

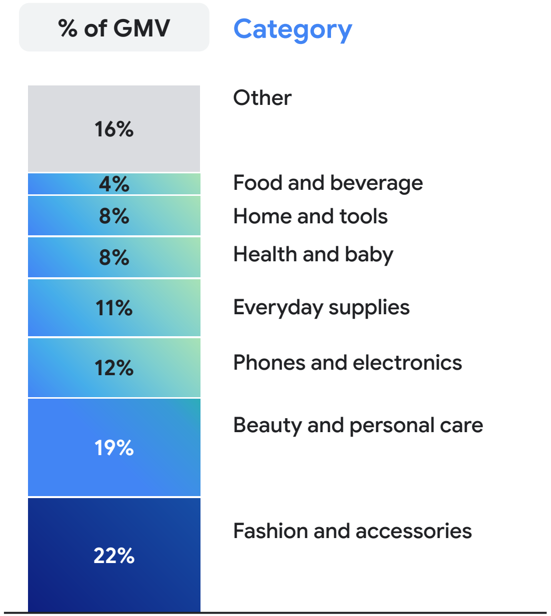
Consumer trust

Willingness to share data access with AI agents (e.g., shopping and viewing history, social connections)	89%
Privacy and data security concerns around agentic AI (average across ASEAN-10: 50%)	52%

Notes: 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

Singapore's concentrated video commerce market sees average order values triple that of SEA

Video commerce category breakdown



Sellers

Number of sellers and stores

80K

125% YoY

Top 10 sellers

The top 10 sellers per category drive

50%

of total category transactions

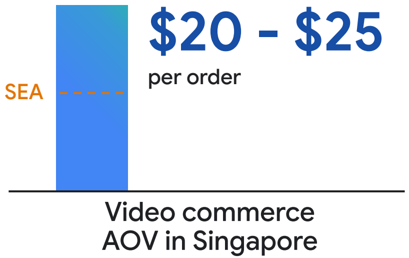
Transactions

Transaction volume

45M

30% YoY

Average order value



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

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