



Investing in SEA's Digital Economy 2025

eCommerce at the core of
regional value creation



Overview

Over the past decade, Southeast Asia's digital economy has evolved from rapid, adoption-led growth into a structurally important economic system. What began as early internet commerce and digital services has matured into deep, integrated platform ecosystems powering consumer behaviour, monetisation strategies, and capital allocation decisions.

By 2025, the region's digital economy – spanning eCommerce, transport, food delivery, online travel, financial services, and digital media – is projected to surpass USD 300 billion in gross merchandise value (GMV), a milestone driven by widespread adoption and advancing monetisation across sectors.

This remarkable scale underscores a decade of transformation: total GMV has grown more than 7.4 times since 2016, while digital economy revenue has expanded over 11 times in the same period.

Importantly, this scale now intersects with investment decisions – from early platform builds to ecosystem infrastructure, and increasingly toward profitable, defensible business models. The distinction between growth and value creation has become central to the investment narrative.

\$300B+

Total digital economy GMV

\$185B+

Total eCommerce GMV

400M+

Digital consumers

\$120B+

Private funding invested into SEA digital economy over the past decade

15% YoY

Growth in digital economy GMV and revenue

Capital focus

Moving from user acquisition to profitability and infrastructure enablement

Sources: Google's research, Temasek, Bain & Company

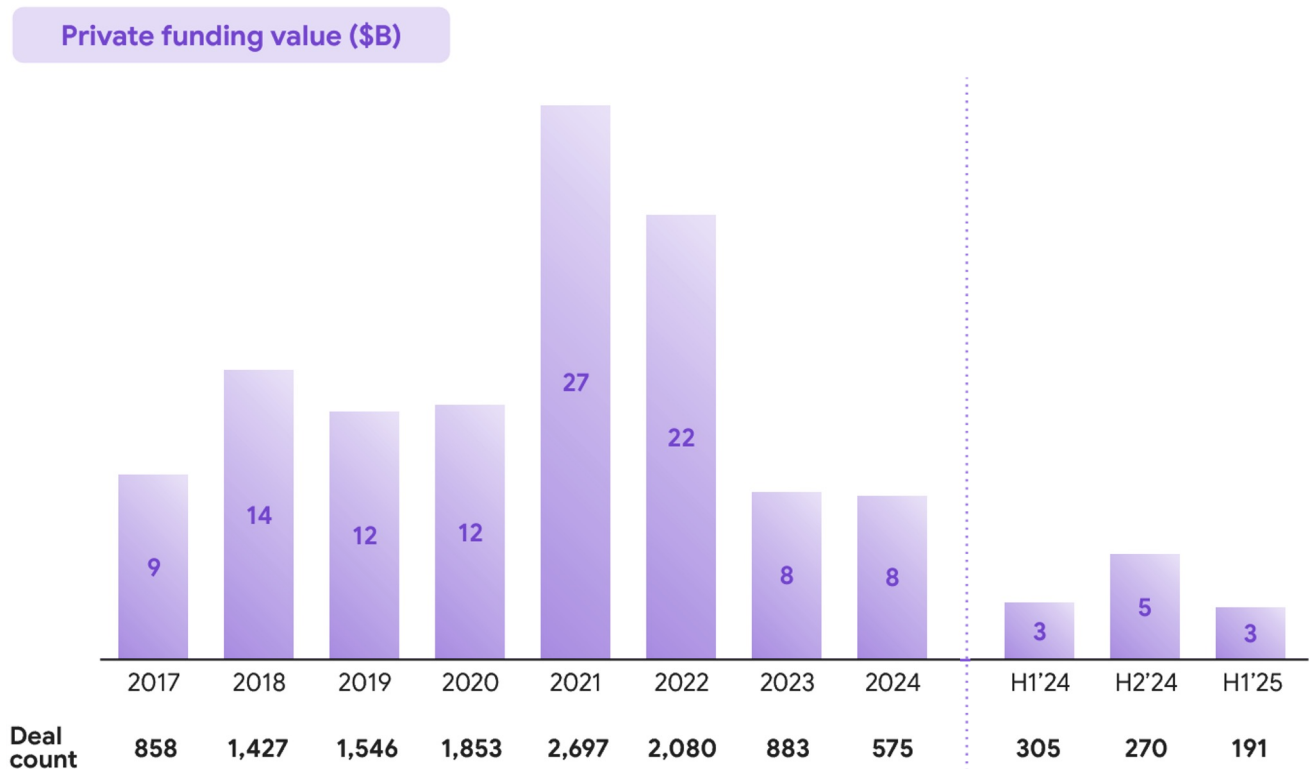


The foundation of venture investment

eCommerce remains the primary anchor of Southeast Asia's digital economy. By 2025, it is expected to generate approximately USD 185 billion in GMV, making up roughly 60% of the total digital ecosystem.

This extensive reach naturally draws investor attention. Over the past decade, private capital has flowed into digital platforms with the objective of capturing scale, user engagement, and platform economics. According to the e-Conomy SEA report, more than USD 120 billion in private funding has been deployed into the region's digital economy since 2016 – illustrating the scale of investment backing the eCommerce venture ecosystem.

In 2024–2025, funding dynamics show clear signs of market maturity. While total funding remains below the peak levels seen in 2021, the USD ~7.7 billion raised over the 12 months to June 2025 marks a renewed investor focus – with capital increasingly concentrated in growth-stage and late-stage rounds.



Investment trends

from early-stage to scalable growth

Over the last several years, venture capital in the region has shifted markedly. Early-stage funding (seed to Series B) now represents a smaller share of overall capital allocation, decreasing from around 30% of deals to approximately 20%.

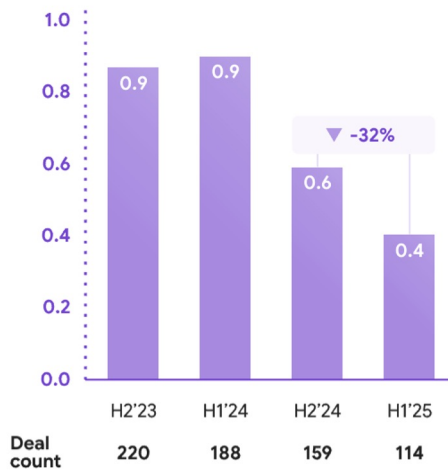
This evolution reflects a more selective funding climate, where investors prioritise companies with:

- clear monetisation models
- structural competitive advantages
- scalable ecosystems
- stronger unit economics

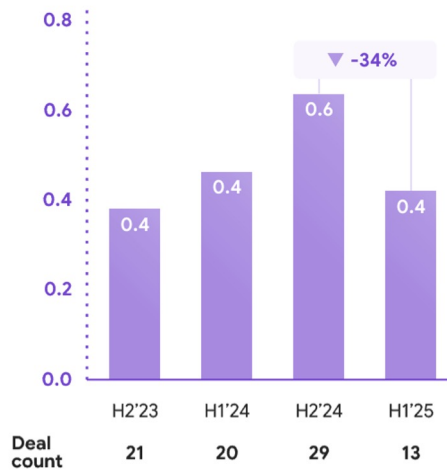
In this environment, late-stage funding has rebounded, supported by institutional venture capital and private equity participants looking for proven platform models with clearer pathways to profitability.

Private funding value (\$B)

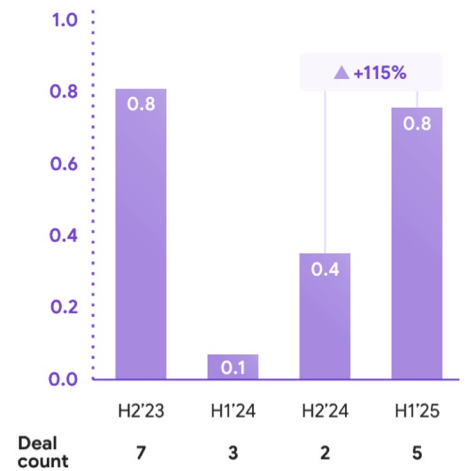
Early stage: Seed & Series A



Growth stage: Series B & C



Late stage: Series D & E+



Notes: Private funding value covers digital economy-related sectors, and excludes public financing deals (e.g., PIPE, IPO, ICO). Excludes undisclosed, growth, secondary, and private equity deals.

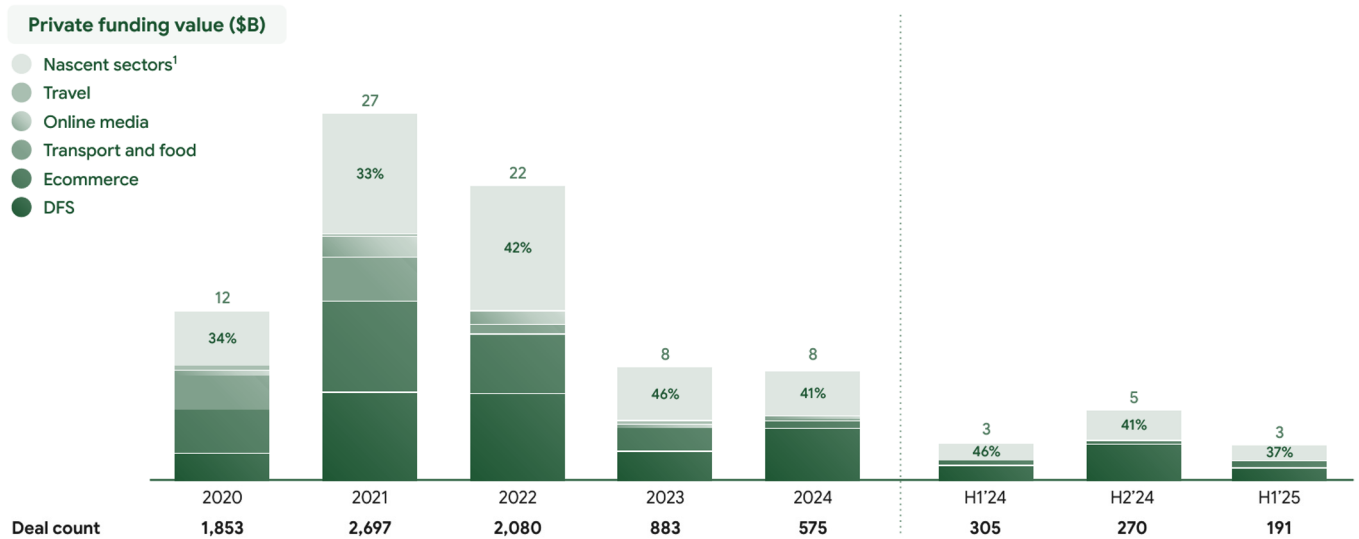
Sources: Reuters, Bain & Company



Sector allocation

where capital is flowing

Digital financial services continue to attract the largest funding share, highlighting the strategic importance of payments, lending, and embedded finance within digital ecosystems – particularly as platforms integrate financial services to deepen engagement and capture revenue beyond transactions.



Alongside fintech, other key investment areas include:

- eCommerce platforms and vertical marketplaces
- Logistics and supply chain enablement technology
- Creator commerce and video commerce platforms
- Enterprise software and analytics for platform optimisation

These segments demonstrate that while pure marketplace models remain central, enabling infrastructure and monetisation stacks are increasingly drawing capital.

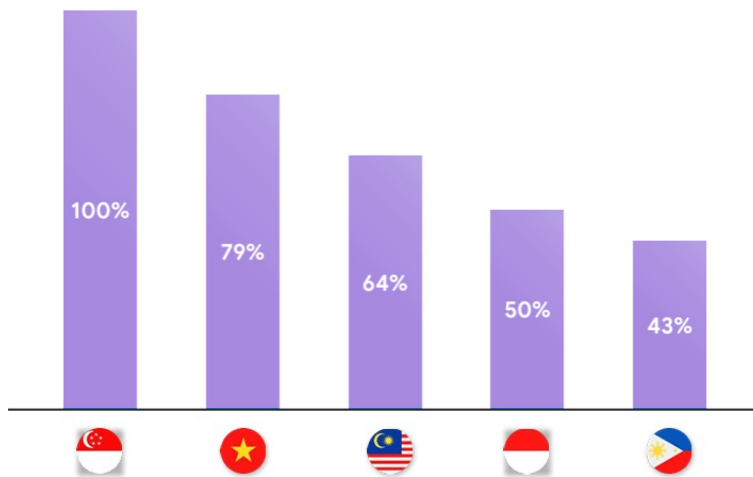
Notes: ¹Nascent sectors include new, emerging digital economy sectors such as software and services, sustainability technology, Web3, and others.

Investor expectations by market and sector

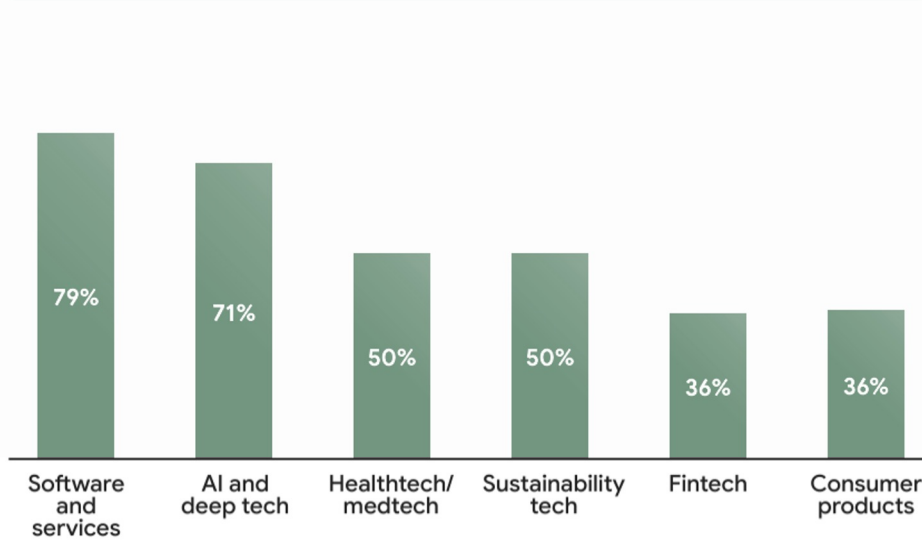
Investor sentiment reveals a sustained interest in core digital hubs such as Singapore, Vietnam, and Malaysia, where ecosystem dynamics, talent pools, and regulatory environments support startup growth and capital deployment.

Software, services, artificial intelligence, and deep technology are top priorities for future investment, while fintech retains strategic importance with an increased lens on profitability and structural moat-building.

Percentage of investors who expect in-country funding activity to increase in the long term (2025-2030)



Percentage of investors who expect to spend more time on the sector



Notes: Only top sectors are shown.

Sources: Bain SEA Venture Capital Investors Survey

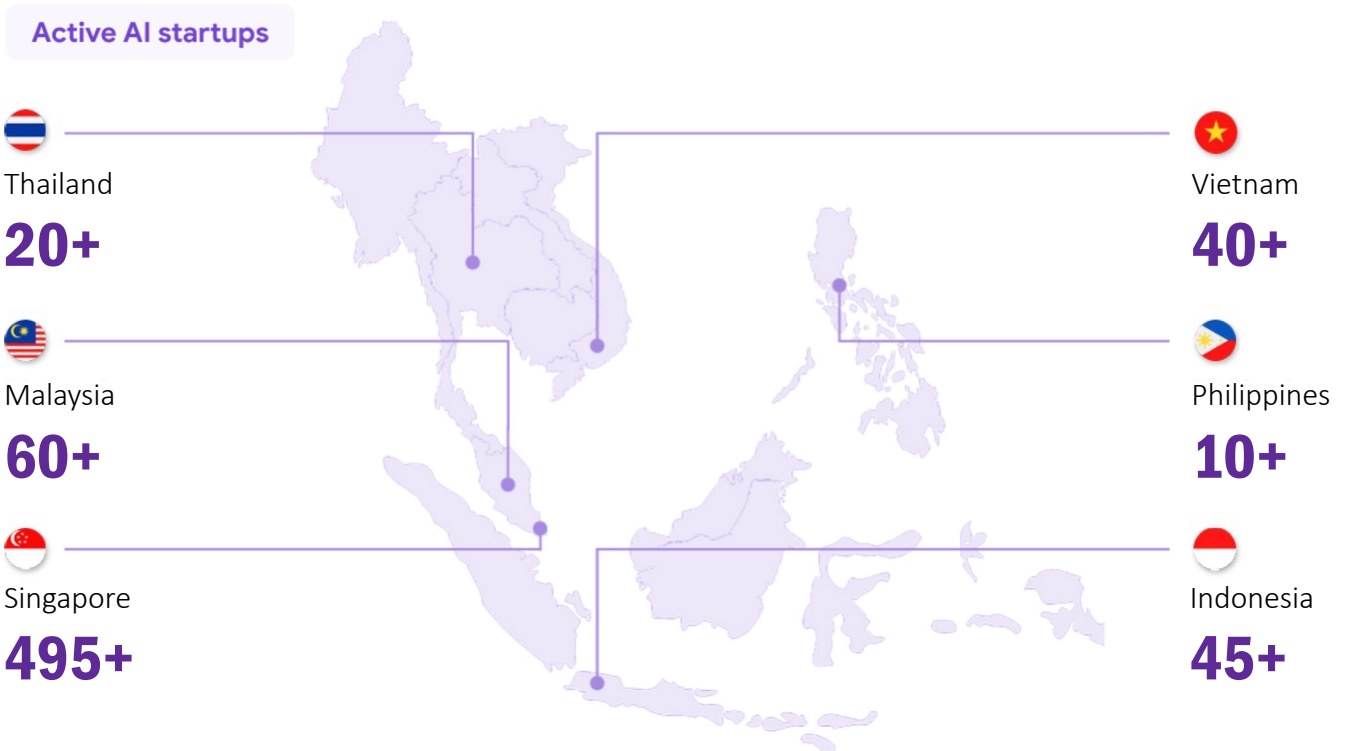
Artificial Intelligence

a high-growth substrate

Artificial intelligence has emerged as one of the most dynamic investment themes within Southeast Asia's venture landscape. According to the expanded e-Economy SEA report, the region now hosts over ~680 AI startups, collectively attracting over USD 2.3 billion in funding.

Singapore remains the primary hub in terms of concentration, with nearly 495 AI companies, while other markets including Vietnam, Indonesia, Malaysia, Thailand, and the Philippines are rapidly developing their own AI ecosystems.

This increased investor interest in AI reflects broader strategic shifts toward productivity enhancement, automation, personalised services, and platform-wide intelligence – all of which can amplify monetisation and long-term value capture.



Conclusion

Despite pockets of strong capital flows, fundraising for startups in Southeast Asia has faced macroeconomic headwinds. Funding totals, while stabilising, remain materially below the levels seen in the technology boom years – indicating a more cautious, disciplined investor approach.

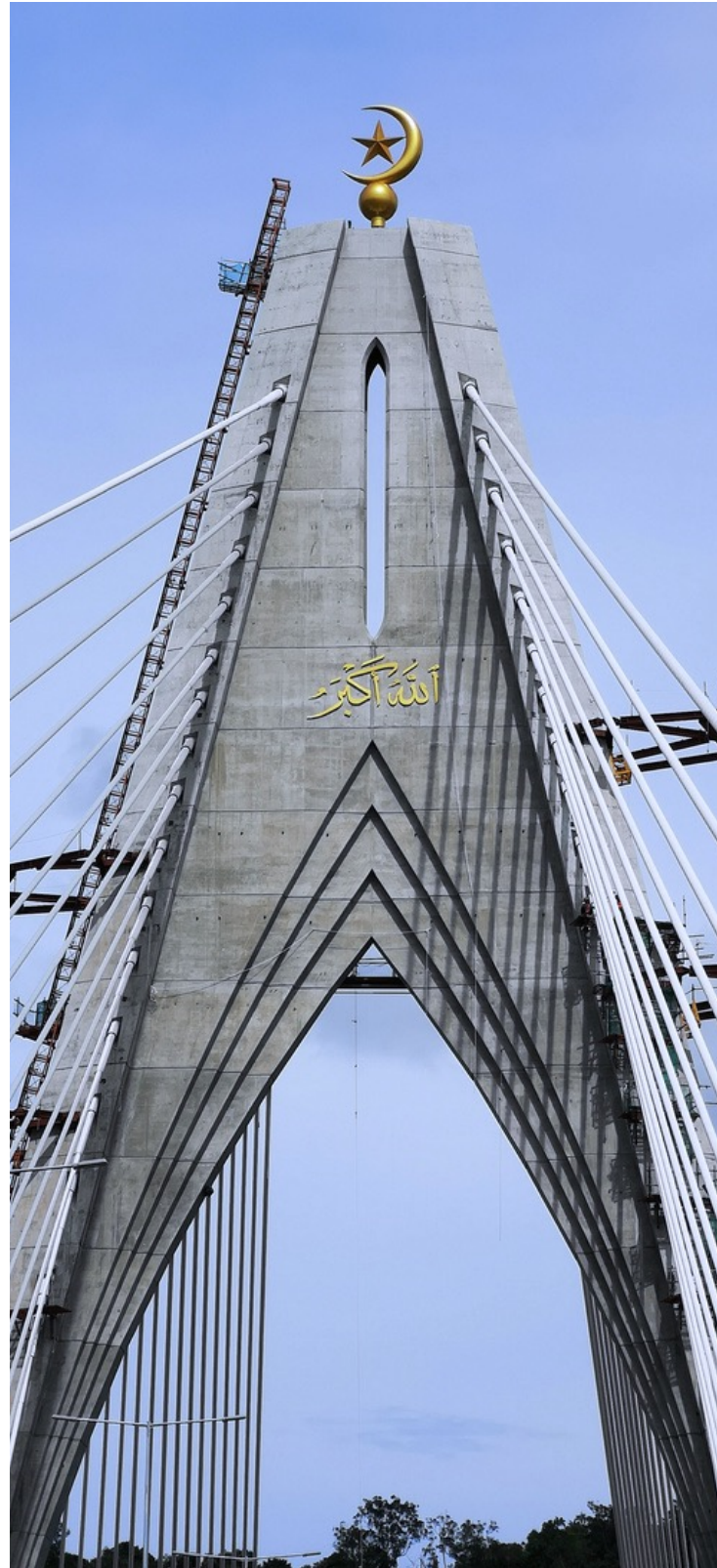
However, the selective increase in late-stage funding and relative strength in high-growth subsectors like AI suggests a landscape that is adapting intelligently to market signals.

Looking ahead, Southeast Asia's digital economy is expected to continue expanding rapidly toward 2030, with projections suggesting total digital GMV could approach or exceed USD 1 trillion as platforms, services, and infrastructure layer further integrate.

Investment opportunities will increasingly hinge on not just user acquisition or GMV scale, but on monetisation quality, ecosystem synergies, structural moats, and profitability pathways.

By 2025, Southeast Asia's digital economy has reached a defining inflection point. While scale remains important, the narrative of capital deployment has shifted meaningfully toward value creation, monetisation discipline, and platform innovation.

eCommerce and digital platforms continue to anchor this dynamic, supported by over a decade of venture investment and systemic adoption. As capital becomes more strategic, and as AI and infrastructure investments accelerate, the region's digital economy stands poised to deliver sustained, scalable returns for founders and investors alike.





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