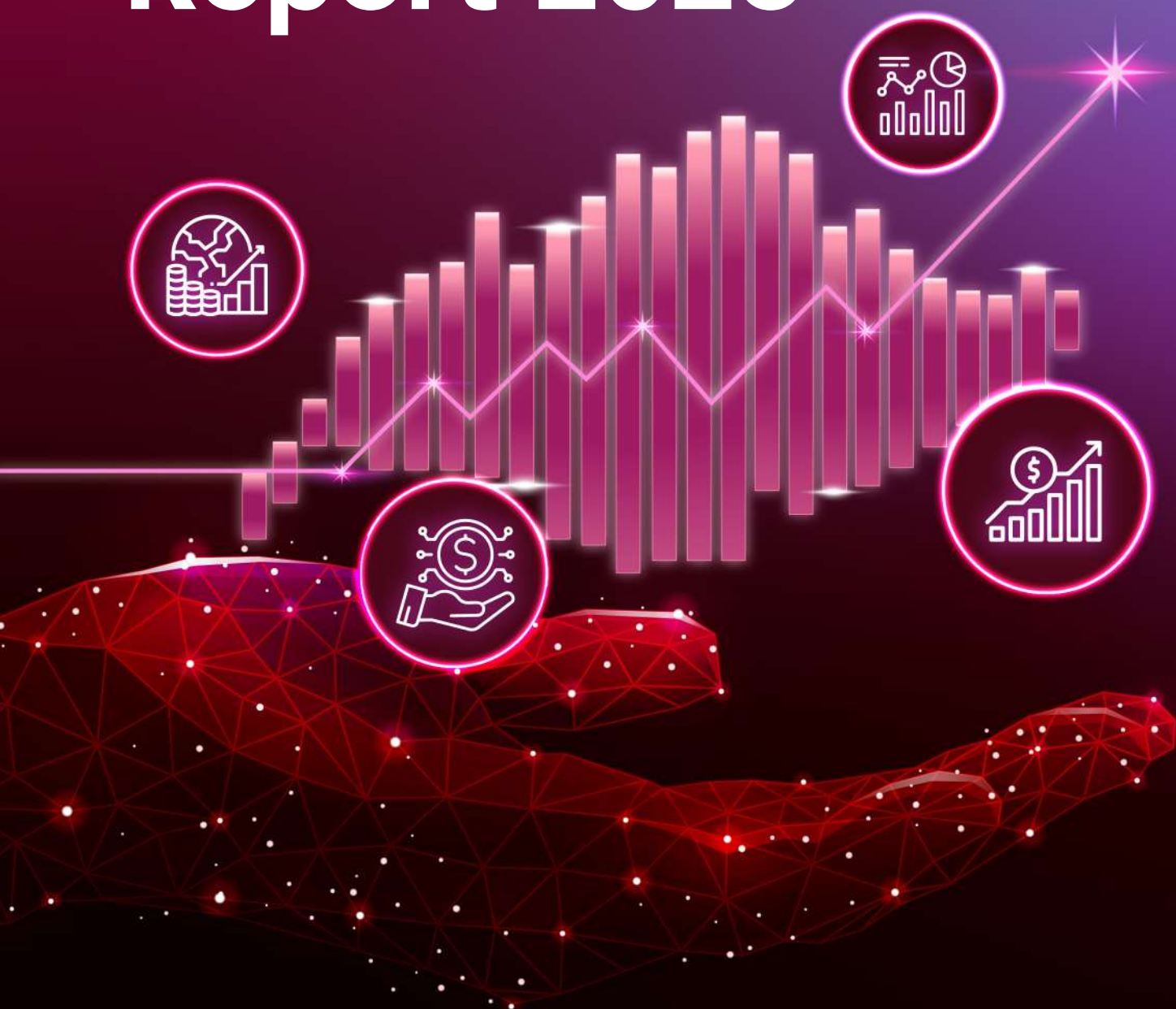


Singapore Digital Economy Report 2026



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EXECUTIVE SUMMARY

This is the fourth edition of the Singapore Digital Economy (SGDE) Report, which provides a holistic analysis of the latest state of Singapore's Digital Economy (DE). Consistent with previous years' reports, it covers Singapore's DE size, the state of enterprise digitalisation and tech manpower, with a deep dive into Artificial Intelligence (AI) adoption, usage and capabilities among enterprises and workers.



Singapore's Digital Economy continued to expand and remained a key contributor to the economy

Singapore's DE continued to grow in 2025. Its nominal value-added (VA) reached S\$144.1 billion, accounting for 19.3% of Singapore's GDP, up from S\$136.5 billion, or 18.8% of GDP, in 2024. The DE grew by 5.6% year-on-year, faster than the 3.1% growth in nominal GDP.

As in previous years, digitalisation across the broader economy remained the larger contributor to Singapore's DE. Specifically, VA arising from digitalisation in the non-Information & Communications (non-I&C) sectors accounted for around two-thirds of the nominal VA of Singapore's DE, while the Information & Communications (I&C) sector contributed the remaining one-third.



Enterprises further progressed in digitalisation, with AI adoption accelerating

Digitalisation among enterprises continued to deepen in 2025. The digital adoption rate increased, with 96.4% of enterprises adopting at least one of six digital areas, higher than the 95.1% in 2024, while the average number of digital areas adopted increased from 2.3 in 2024 to 2.5 in 2025. These improvements were mainly driven by SMEs, which recorded one of the largest year-on-year increases in digital adoption intensity in recent years.

AI adoption sustained its growth momentum in 2025, with the adoption rate among all enterprises rising from 14.7% in 2024 to 23.5% in 2025. This was driven by strong increases among both SMEs and non-SMEs, with AI adoption among SMEs rising from 14.5% to 23.4%, and that among non-SMEs increasing from 62.5% to 70.4% over the same period.



AI use is broadening, with firms and workers reporting tangible benefits

Beyond adoption, enterprises are progressing towards deeper use of AI. Among AI-adopting firms, 2 in 5 were either expanding AI deployment or had fully deployed or integrated AI across the company. Firms also reported tangible business benefits from AI adoption, particularly productivity and process improvements.

Separately, among surveyed workers, AI use has also become more widespread, with 85.7% reporting using AI tools at work in 2026, rising from 77.6% in 2025. AI-using workers used these tools with relatively high frequency as majority of such workers reported using AI on a daily or weekly basis. In addition, workers applied AI across a broad range of tasks and reported various benefits such as productivity improvements, better quality of work and stronger problem-solving ability.

Workers' AI proficiency has also improved, but capabilities remain uneven. While AI-adopting firms reported that around seven in ten of their workforce were able to use AI in some capacity, a significant share were assessed to be using it mainly for general tasks, much larger than the share using AI for intermediate or complex tasks. This points to the continued scope for capability development, with more than two-thirds of surveyed workers recognising a need to upskill or reskill in AI, compared with 36.7% who had attended AI-related training in the past 12 months.



Demand for tech professionals remained strong, driven mainly by the non-I&C sector, while demand for AI skills also increased

Singapore's tech workforce continued to grow alongside the digitalisation of the economy. The number of tech professionals increased by 3.8% to 222,200 in 2025, with growth supported by higher employment in both the I&C and non-I&C sectors. The non-I&C sectors accounted for 59% of all tech professionals and recorded stronger tech employment growth of 5.3% year-on-year, compared with 1.8% year-on-year growth in the I&C sector.

Demand for AI-related capabilities among tech professionals also increased. The share of tech job postings requiring at least one AI skill rose from 14.0% in 2024 to 16.7% in 2025, while the share requiring at least two AI skills increased from 4.9% to 7.6%. Growth in demand for AI skills was observed across both I&C and non-I&C sectors, particularly in Finance & Insurance, Professional Services and Manufacturing.

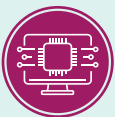




This report seeks to provide a holistic analysis of the latest state of Singapore's Digital Economy (DE).

OVERVIEW OF SINGAPORE'S DIGITAL ECONOMY

Using the same approach adopted in the past SGDE reports, we define Singapore's DE as comprising two components:



Value-added (VA) of the Information & Communications (I&C) sector;



VA arising from digitalisation in the rest of the economy (i.e. excluding the I&C sector).

The I&C sector¹ is a key enabler of digitalisation, supplying digital services (e.g. telecommunication services, computer programming & IT consultancy, cloud computing, software development), as well as the production and distribution of content and media. The I&C sector is part of the broad GDP sectoral classification commonly used by National Statistical Offices, including in Singapore.

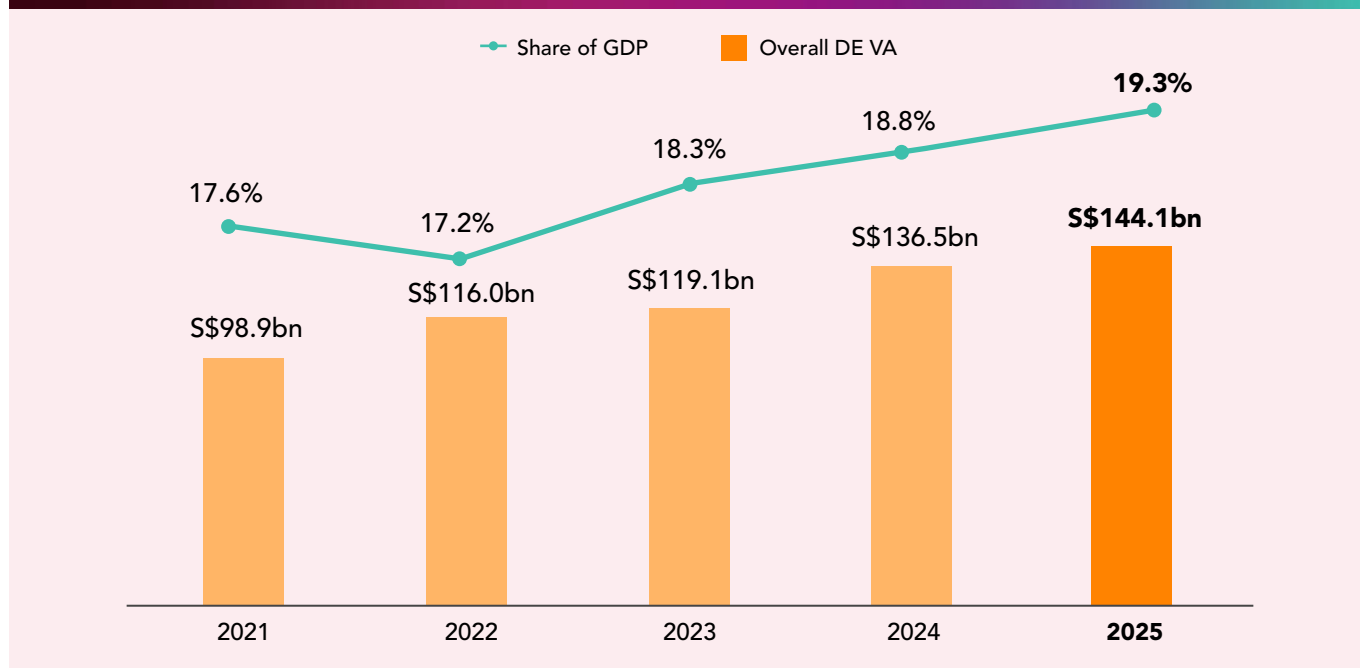
For the second component, i.e. digitalisation in the rest of the economy, we define it as the VA generated from investment in digital capital across all other sectors (i.e. excluding the I&C sector). Firms invest in digital technologies to better reach customers, optimise business processes, and drive product and service innovation, which may in turn lead to improved economic outcomes. As such, part of the VA of the non-I&C sectors can be attributed to such digital investment. We estimate such VA based on the returns from digital capital investment and spending using growth accounting technique².

¹ Based on the Singapore Standard Industrial Classification (SSIC), the I&C sector corresponds to SSIC 58-63.

² The growth accounting technique is used to estimate the portion of the VA in other sectors (Finance & Insurance, Wholesale Trade, Manufacturing, etc.) of the economy that is contributed by digital capital. In particular, it decomposes the total returns to capital owners, i.e. gross operating surplus (GOS) which is a major component of GDP accounting from income approach, into returns to digital capital and returns to non-digital capital. Details of the methodology are discussed in the Singapore Digital Economy Report 2023.

In 2025, Singapore's DE continued to be a key driver of the economy, with the nominal DE VA reaching **S\$144.1 billion**, accounting for **19.3%** of Singapore's GDP, rising from **S\$136.5 billion**, or **18.8% of GDP**, in 2024³ [Fig 1]. This represented a year-on-year (yoy) growth of 5.6%, outpacing the nominal GDP yoy growth of 3.1% in 2025.

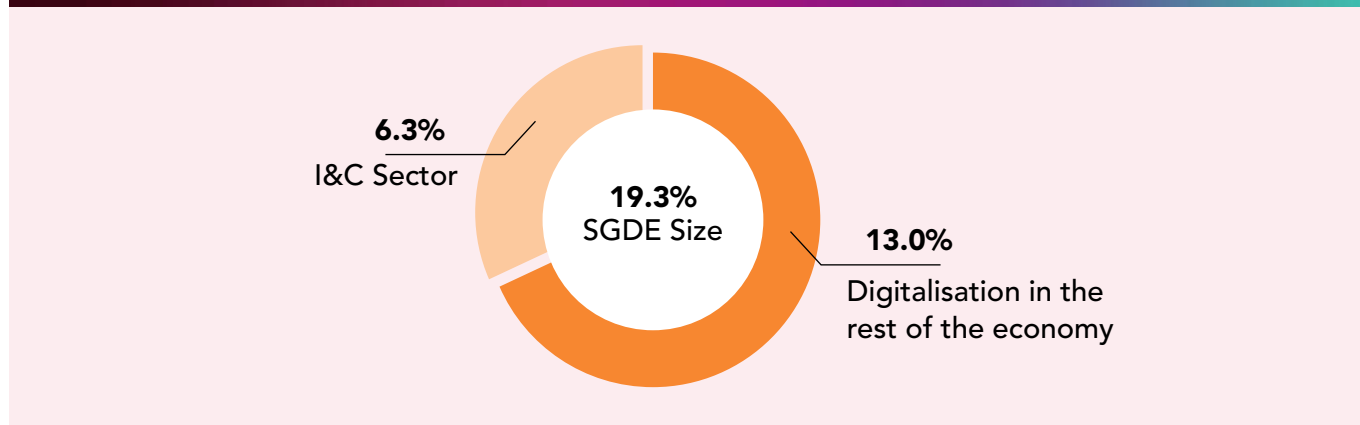
Figure 1: Overall nominal DE VA and % share of GDP, 2021-2025



Sources: DOS, IMDA

The bulk of nominal DE VA stems from digitalisation efforts across the broader economy. Specifically, VA arising from digitalisation in the non-I&C sectors accounted for two-thirds of DE VA, contributing 13.0% to GDP in 2025, while the I&C sector accounted for the remaining one-third with a 6.3% GDP contribution [Infographic 1].

Infographic 1: Composition of Singapore's Digital Economy Size (% of GDP), 2025



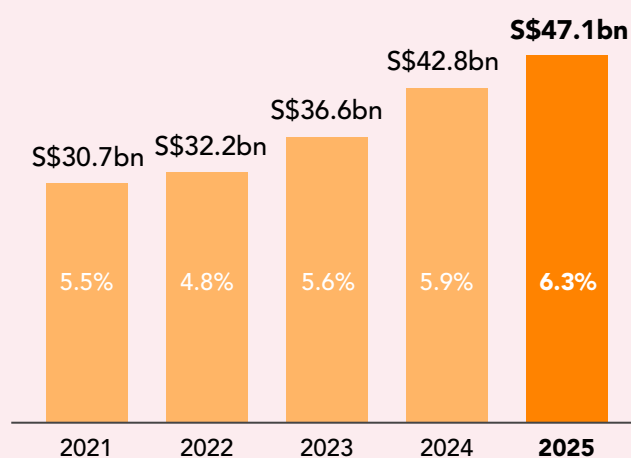
Sources: DOS, IMDA

³The DE VA for 2024 has been revised following refinements to the National Accounts statistics by the Singapore Department of Statistics (DOS).

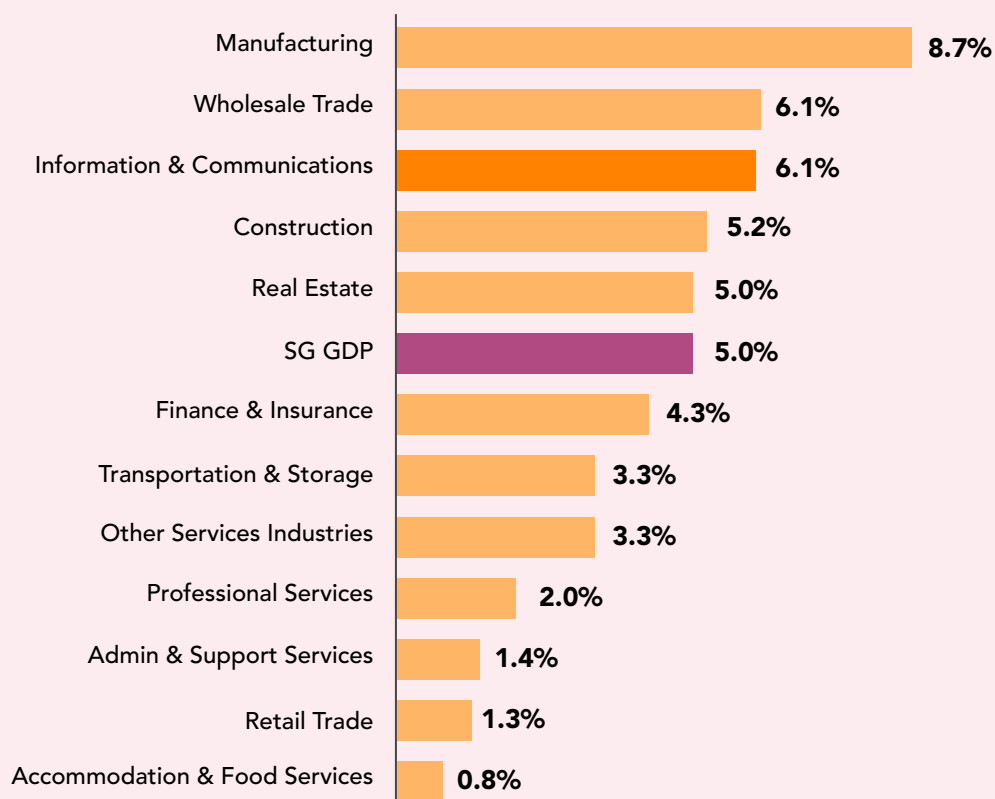
The I&C sector continued to demonstrate strong growth momentum in the Singapore economy. In 2025, the sector saw its real VA grow by 6.1% yoy, moderating from the 14.2% yoy expansion in 2024, but outpacing the overall real GDP growth of 5.0%. Among the various sectors, I&C was one of the fastest-growing sectors. In terms of GDP contribution, the size of the I&C sector rose from 5.9% in 2024 to 6.3% in 2025 [Fig 2].

Figure 2: I&C sector nominal VA and annual sectoral real VA growth

I&C nominal VA and % share of GDP, 2021-2025



Sectoral Real VA growth, 2025

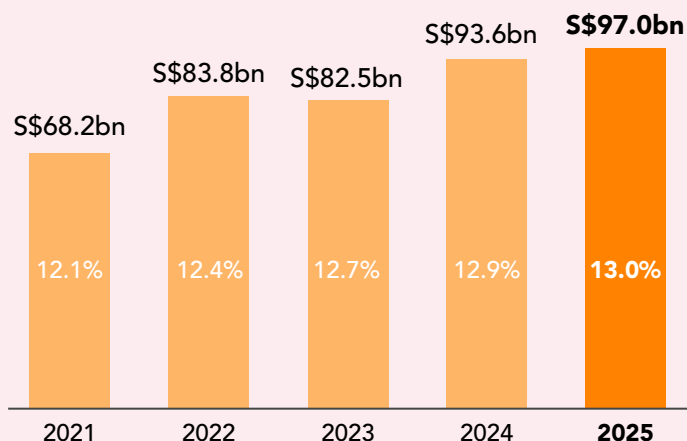


Source: DOS

The nominal VA from digitalisation in the rest of the economy also expanded. In 2025, it increased to S\$97.0 billion from S\$93.6 billion in 2024, representing a yoy growth of 3.6%. VA from digitalisation accounted for 13.0% of GDP in 2025, slightly up from the 12.9% in 2024 [Fig 3].

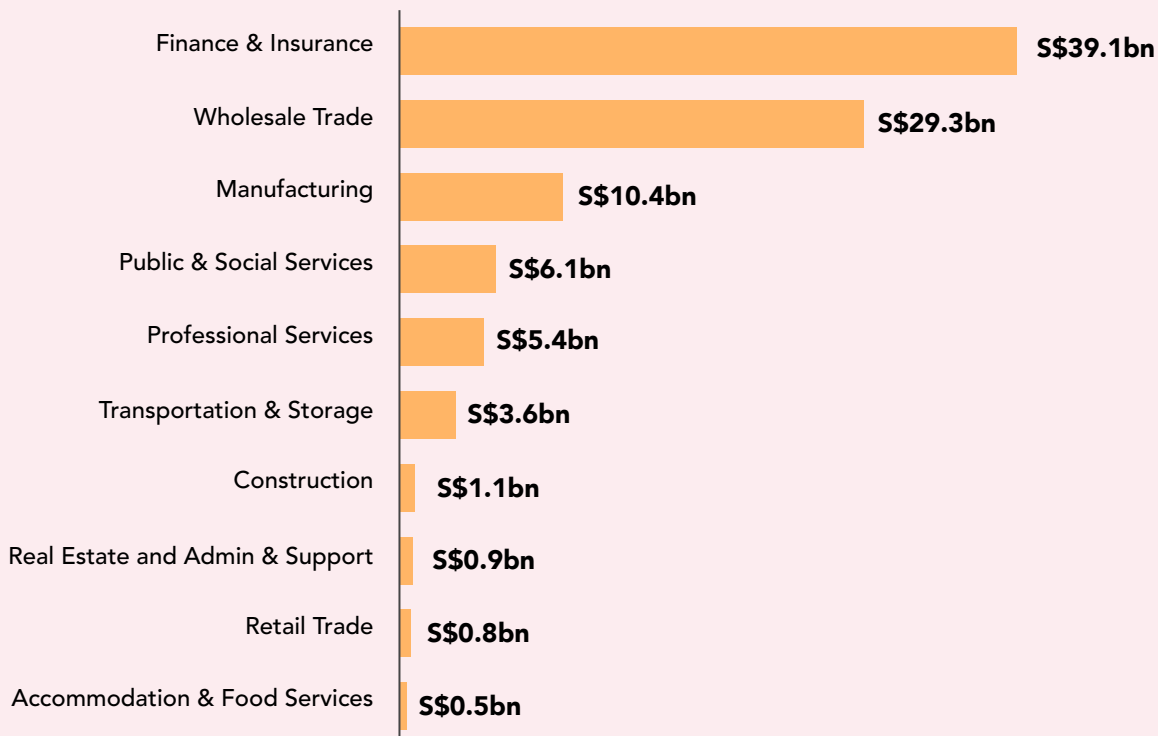
Looking at the sectoral breakdown of VA from digitalisation in 2025, the Finance & Insurance sector remained the largest contributor, followed by the Wholesale Trade sector and the Manufacturing sector [Fig 4]. Together, these three sectors contributed to the majority (81.1%) of VA from digitalisation in the non-I&C sectors.

Figure 3: Nominal VA from digitalisation in the rest of the economy and % share of GDP, 2021-2025



Source: IMDA

Figure 4: Nominal VA from digitalisation for selected sectors, 2025



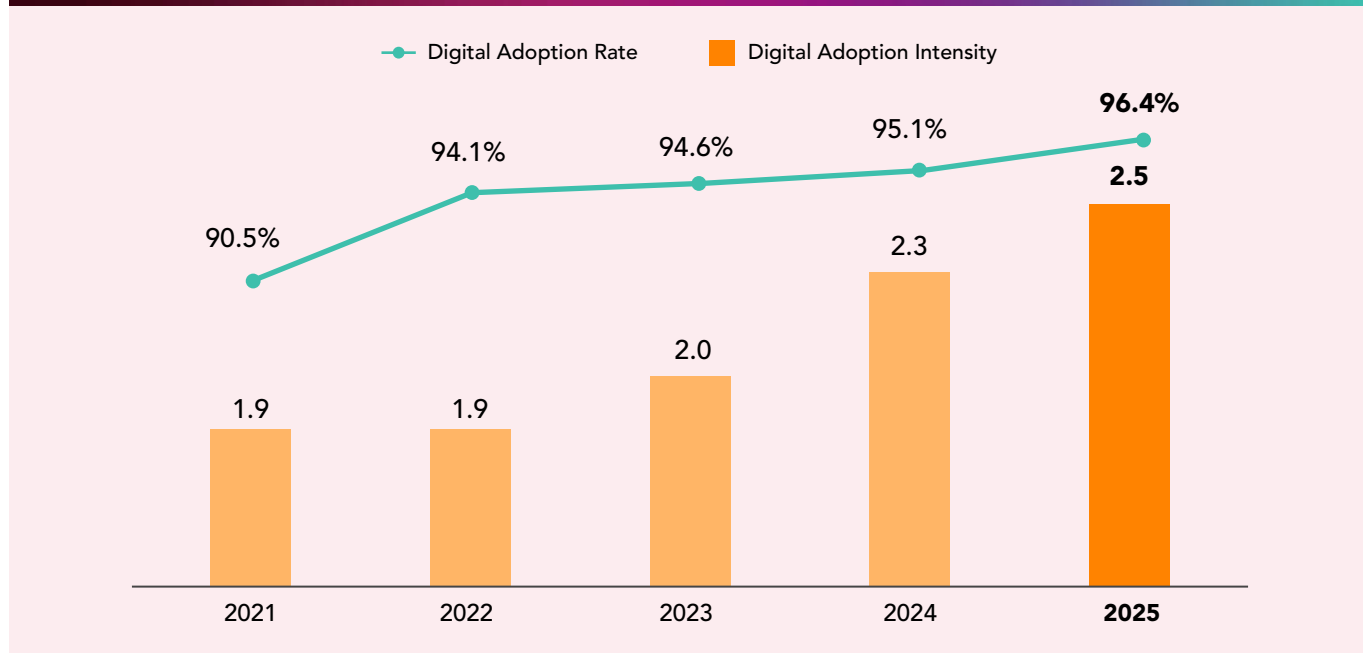
Source: IMDA



ENTERPRISE DIGITALISATION

In 2025, enterprises in Singapore continued to make progress in their digitalisation efforts. This is reflected in sustained gains in both digital adoption rate and digital adoption intensity⁴ [Fig 5]. Specifically, 96.4% of all enterprises were adopting at least one out of six digital areas in 2025, up from 95.1% in 2024. At the same time, enterprises also deepened their digitalisation efforts, with firms adopting, on average, 2.5 out of 6 digital areas in 2025, compared with 2.3 in 2024.

Figure 5: Digital adoption rate and intensity for all enterprises, 2021-2025

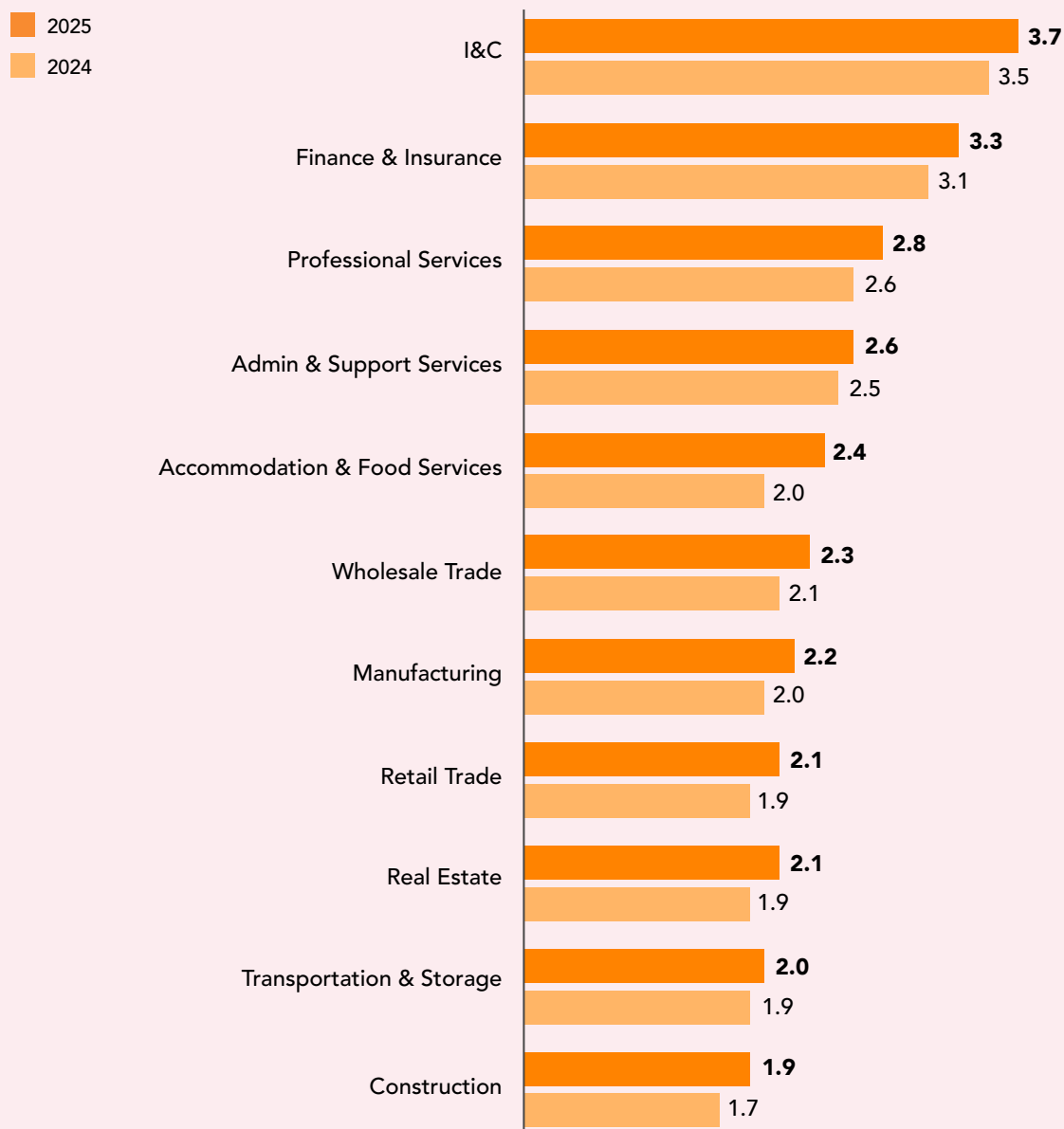


Source: IMDA

⁴Digital adoption rate refers to the percentage of firms that adopted at least one out of six digital areas, namely Cybersecurity, Cloud, E-payment, E-commerce, Data Analytics and AI. Digital adoption intensity refers to the average number of digital areas adopted per firm, out of the six areas examined.

The improvement in digital adoption intensity came on the back of increases in broad-base uptake across all sectors [Fig 6]. In 2025, the I&C sector maintained its leading position as its adoption intensity rose from 3.5 to 3.7, while the Finance & Insurance and Professional Services sectors demonstrated continued advancement, reaching 3.3 and 2.8 respectively. In contrast, sectors such as Construction and Transportation & Storage registered relatively lower digital adoption intensity levels, although each showed improvements compared to the previous year.

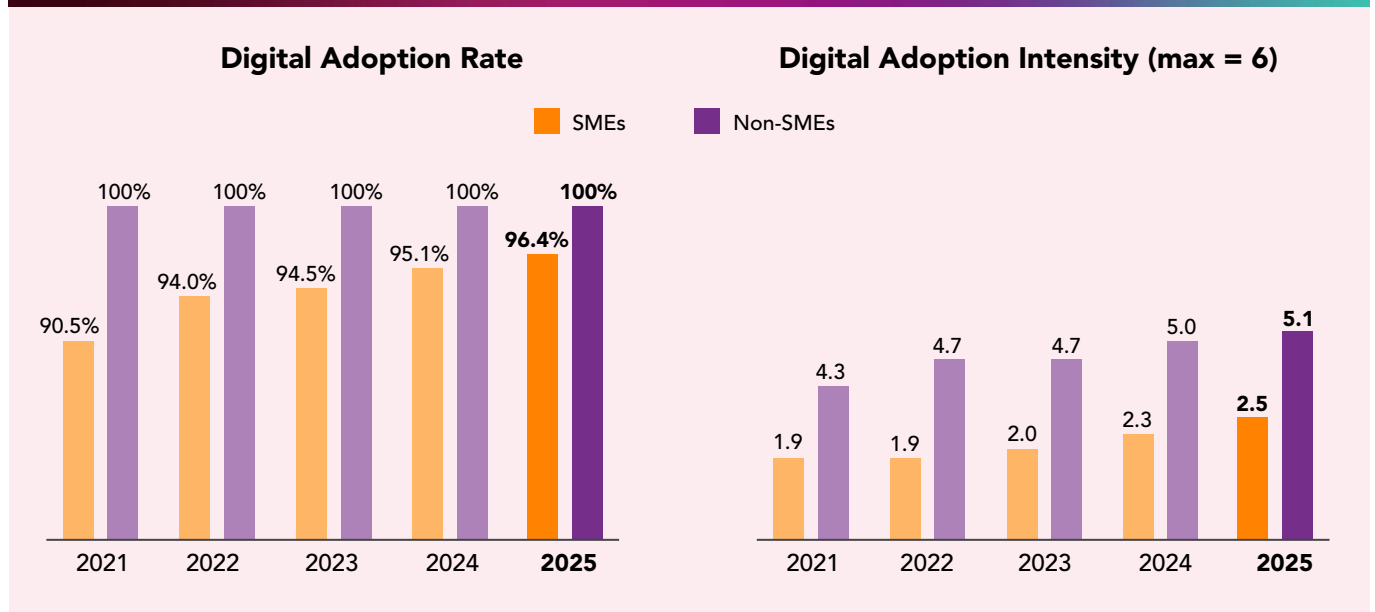
Figure 6: Digital adoption intensity for all enterprises by sector, 2024 and 2025



Source: IMDA

Among enterprises, both non-SMEs and SMEs continued to make progress in digital adoption [Fig 7]. The digital adoption intensity of non-SMEs rose from 5.0 to 5.1. **SMEs also made notable improvements, with their digital adoption intensity rising from 2.3 to 2.5, marking one of the largest yoy increases in recent years.**

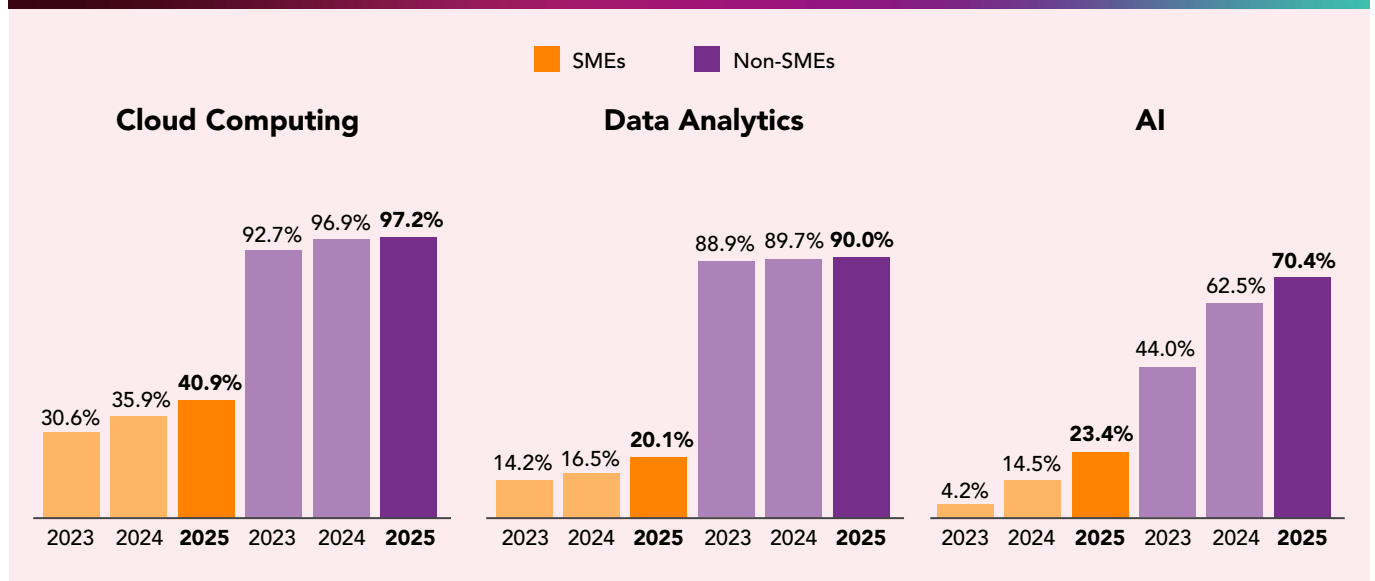
Figure 7: Digital adoption rate and intensity by SMEs and non-SMEs, 2021-2025



Source: IMDA

The uptick in digital adoption intensity was partly driven by a greater share of non-SMEs and SMEs adopting digital areas such as Cloud Computing, Data Analytics, and AI [Fig 8]. AI adoption saw the most notable increase, with adoption rate for SMEs rising from 14.5% in 2024 to 23.4% in 2025, while that for non-SMEs increased from 62.5% to 70.4% over the same period.

Figure 8: Adoption rates of selected digital areas by SMEs and non-SMEs, 2023-2025



Source: IMDA

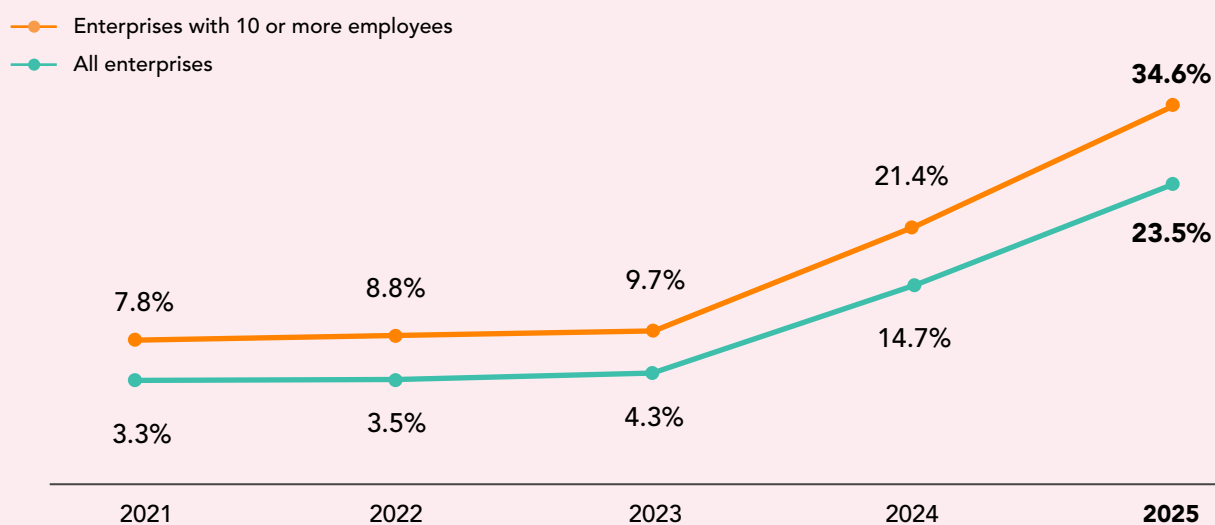


STATE OF AI ADOPTION IN SINGAPORE

This section takes a closer look at the state of AI adoption among firms in Singapore. It examines not only how widely AI has diffused across the economy, but also how firms are implementing the technology, and progressing towards deeper and purposeful use of AI.

AI adoption among firms in Singapore has increased steadily, with growth accelerating in recent years. From 2024 to 2025, the adoption rate rose by 8.8 pp to 23.5% among all enterprises, while the rate among enterprises with at least 10 employees increased by 13.2 pp to 34.6% [Fig 9].

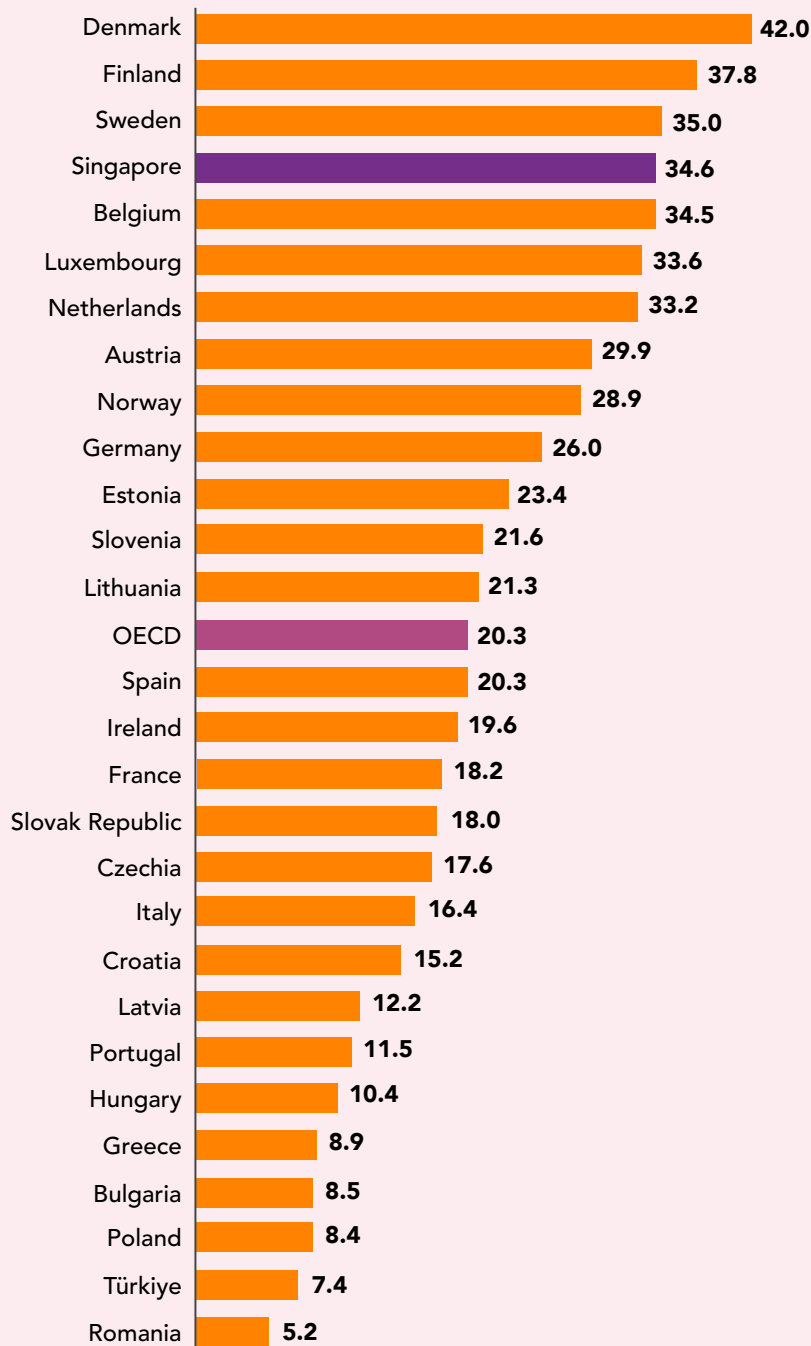
Figure 9: AI adoption rate among enterprises in Singapore, 2021-2025



Source: IMDA

This rapid increase has also placed Singapore in a strong position internationally. Among enterprises with 10 or more employees, Singapore's AI adoption rate was well above the OECD average of 20.3% and among the highest across the OECD economies in 2025 [Fig 10].

Figure 10: AI adoption rates (%) among enterprises with 10 or more employees, Singapore and OECD countries*, 2025

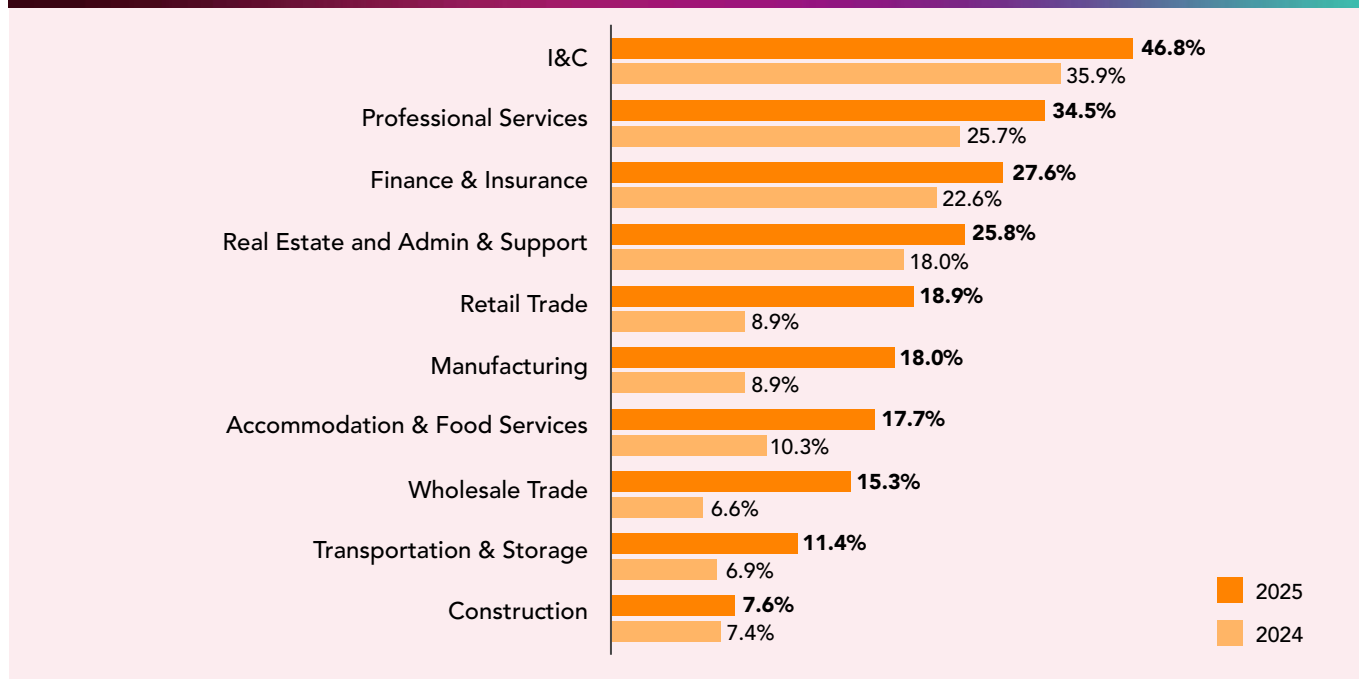


Sources: OECD, IMDA

**Note: This chart includes only countries with 2025 data available. Countries without recent years' data, such as the US, UK and Israel, are excluded from the chart and the OECD average calculation.*

Within Singapore, there was considerable variation in AI adoption across sectors. The I&C, Professional Services, and Finance & Insurance sectors continued to lead, with adoption rates of 46.8%, 34.5% and 27.6% respectively [Fig 11].

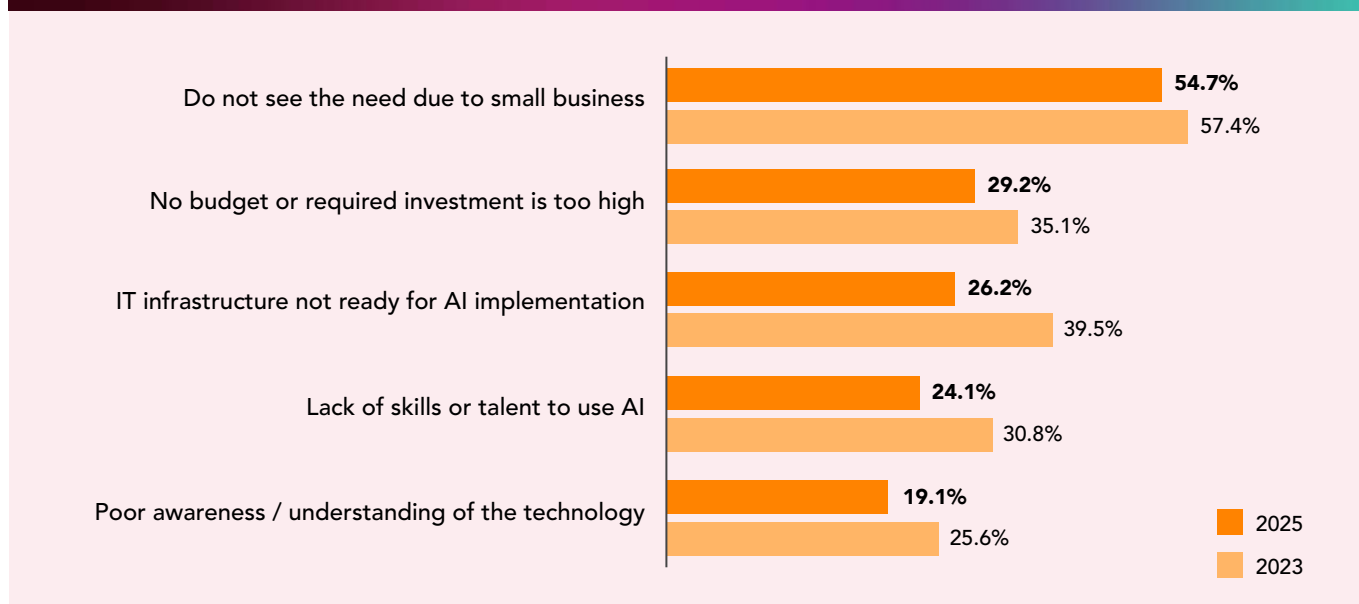
Figure 11: AI adoption rates among all enterprises by sector, 2024 and 2025



Source: IMDA

Despite the notable increase in AI adoption in recent years, a sizeable proportion of firms had yet to adopt AI. Among these non-AI-adopting firms, the perceived lack of relevance due to small business scale remained the dominant barrier. The share of firms citing this as a reason for not adopting in 2025 was broadly similar to that in 2023. On the other hand, fewer firms cited capability-related barriers such as readiness of IT infrastructure and skills to use AI between 2023 and 2025 [Fig 12].

Figure 12: Barriers to AI adoption (top 5) among non-AI-adopting firms, 2023 and 2025

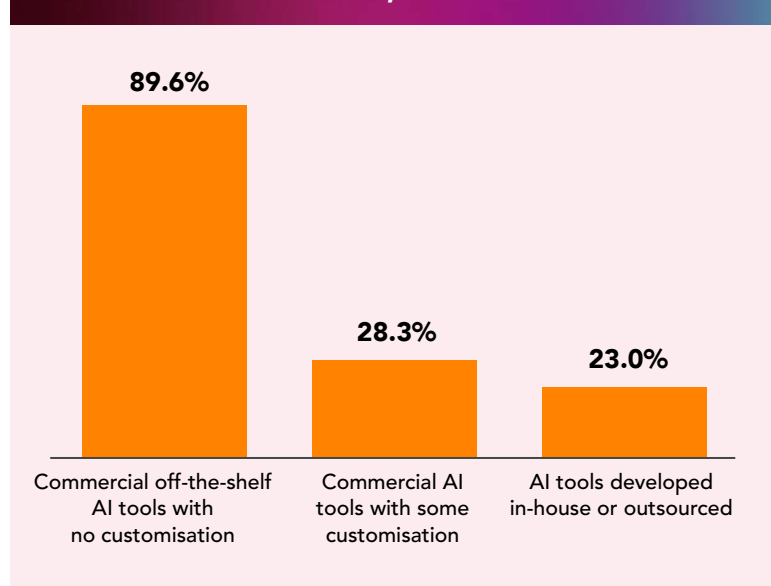


Source: IMDA

Nonetheless, there has been growing interest in AI adoption among non-adopters. Among firms that had not adopted AI, 12.1% in 2025 shared they were planning to use AI in the next 12 months, up from 5.6% in 2023. This could potentially support a further broadening of AI adoption across the economy in the coming years.

For firms already adopting AI, close to 9 in 10 used commercial off-the-shelf AI tools, while 28.3% customised commercial AI tools for their needs⁵. A further 23.0% used AI tools developed in-house or outsourced for firm-specific needs [Fig 13]. The use of customised or firm-specific AI tools was more evident among medium and large firms and those in the tech sector.

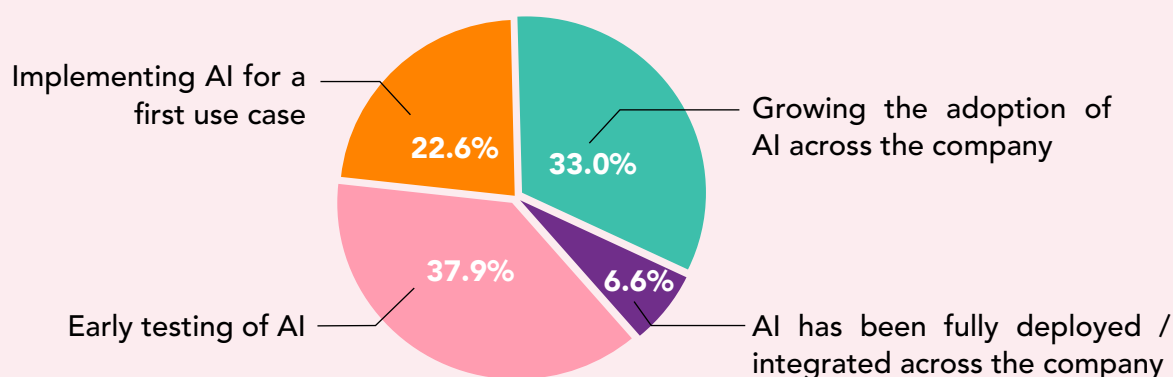
Figure 13: Types of AI tools used by AI-adopting firms, 2026



Source: MDDI

Additionally, AI-adopting firms were at different phases of adoption. 2 in 5 reported either expanding AI deployment or had already fully deployed or integrated AI across the company [Fig 14]. The remaining firms reported being at earlier stages, either testing AI solutions or implementing their first AI use case. This suggests that while the majority of firms are still in the initial stages of AI adoption, a sizeable group is beginning to move from experimentation towards broader deployment of AI across their operations.

Figure 14: Phases of AI adoption among AI-adopting firms, 2026

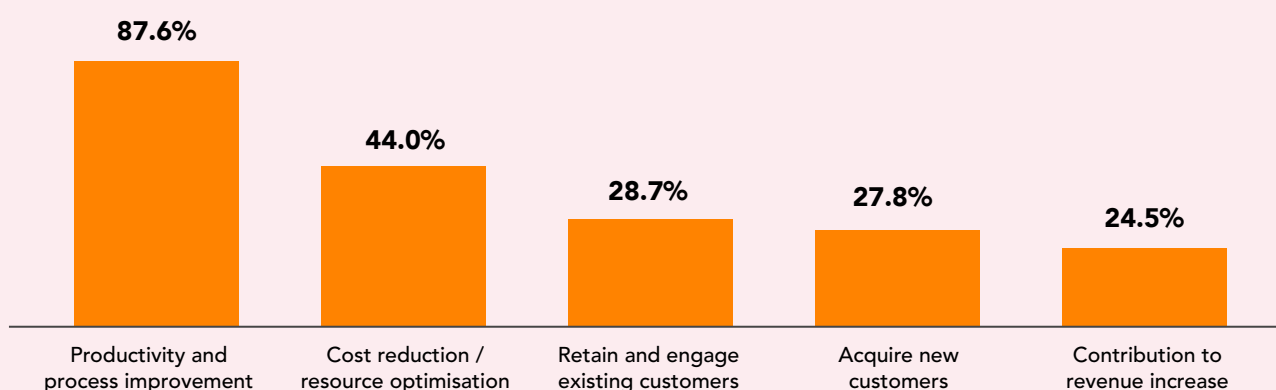


Source: MDDI

⁵ Commercial off-the-shelf AI tools with no customisation refer to those AI tools that could be readily bought, used or deployed within the company with minimal set-up. Commercial AI tools with some customisation refer to off-the-shelf software that has been modified or configured to meet a firm's specific needs.

Overall, firms are experiencing tangible positive business impact from AI adoption [Fig 15]. Among AI-adopting firms, the most cited benefit was productivity and process improvement (87.6%), followed by cost reduction and resource optimisation (44.0%). This suggests that firms are primarily realising AI benefits through efficiency gains and better use of resources. This is also reflected in administrative data from the Productivity Solutions Grant (PSG), where SMEs that had adopted AI-enabled pre-approved digital solutions reported average cost savings of 49.5% in 2025⁶.

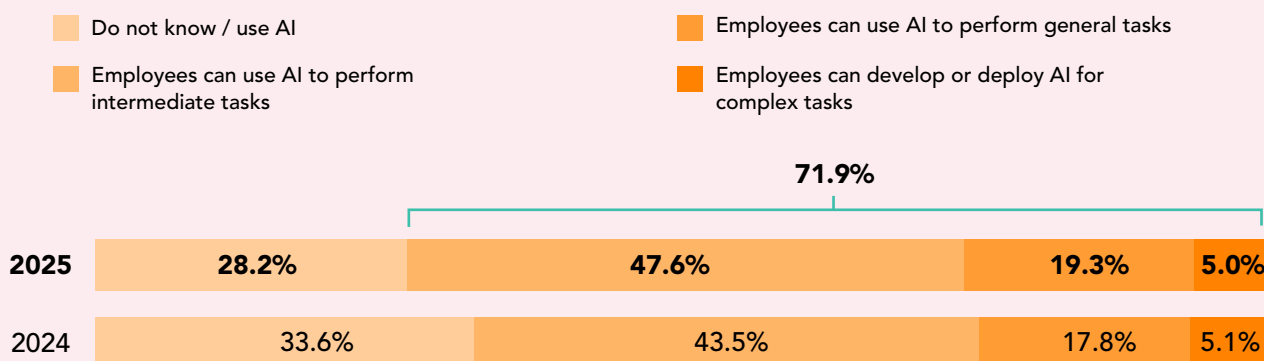
Figure 15: Benefits of AI adoption reported by AI-adopting firms, 2025



Source: IMDA

Whether AI adoption translates into real business impact also depends on workers' capability to use the technology effectively. Encouragingly, AI-adopting firms reported that, on average, 71.9% of their workers were able to use AI in some capacity in 2025, up from 66.4% in 2024 [Fig 16]. However, there is still significant scope for improvement, as a sizeable proportion of workers (47.6%) in 2025 were perceived to be using AI only to perform general tasks, rather than for intermediate⁷ or complex tasks.

Figure 16: Employers' assessment of workers' AI proficiency, 2024 and 2025



Source: IMDA

⁶ Based on PSG applicants' self-declared business outcomes after adopting the digital solutions. The statistic represents the average productivity gain and cost saving per firm per PSG application of AI-enabled digital solution.

⁷ Intermediate tasks refer to customising or applying AI solutions to solve specific problems within certain domain.

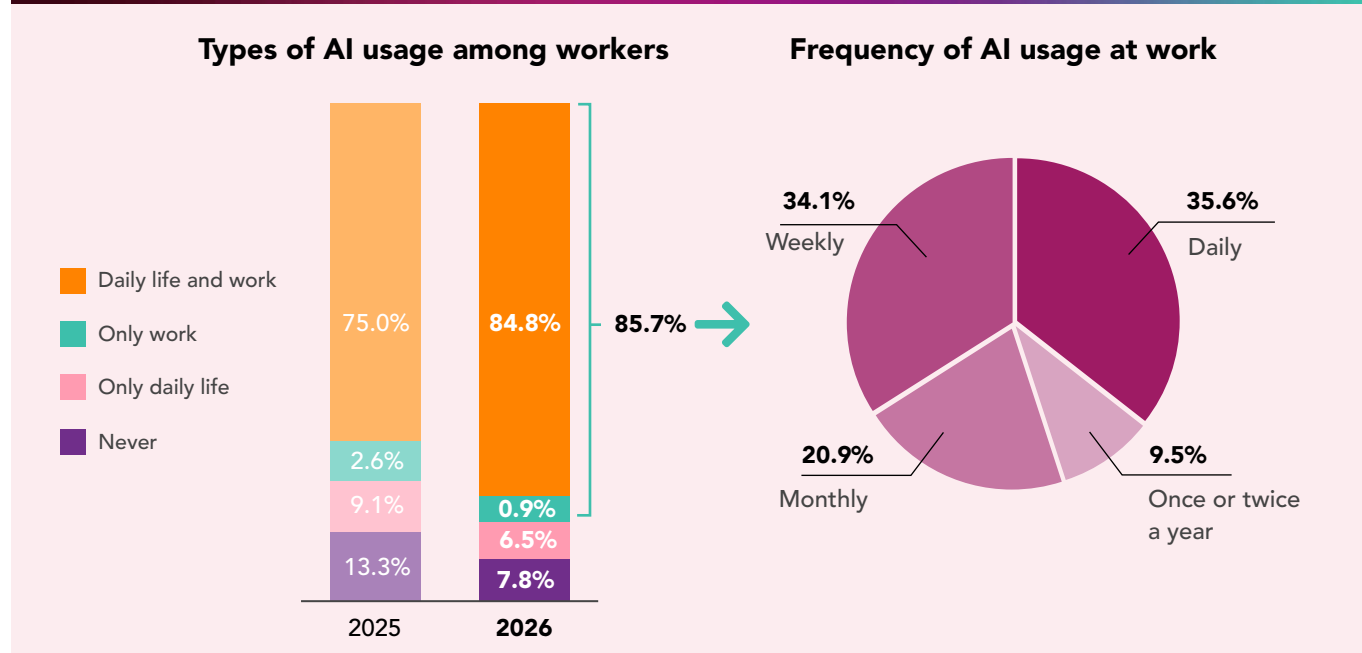


AI USAGE AMONG WORKERS

This section turns to workers' use of AI, which provides a complementary view of how the technology is being applied in the workplace. It examines not only how workers are using AI at work and the reported benefits, but also how AI is shaping work practices, and how workers are building proficiency through training and upskilling.

AI usage has become more widespread among workers in Singapore [Fig 17]. In 2026, 85.7% of surveyed workers reported using AI tools at work, up from 77.6% in 2025. Most of these workers used such tools daily or weekly.

Figure 17: AI usage types and frequency among workers, 2026

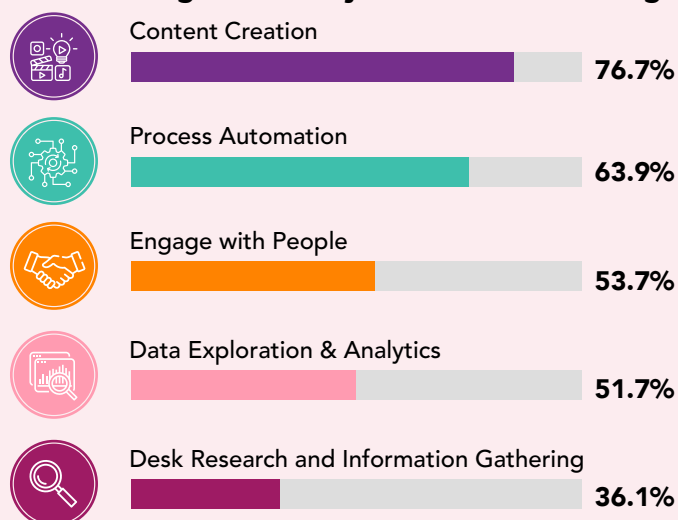


Source: MDDI

Workers used AI across a broad range of workplace tasks [Fig 18]. Across the five broad categories, content creation was the most common area of use, reported by 76.7% of AI-using workers. Around two-thirds of workers used AI for process automation, more than half used AI to engage with people (53.7%), and a similar proportion used AI for data exploration and analytics (51.7%). At the individual task level, usage varied considerably. For instance, generating and editing written content was most common (47.0%), followed by document processing and data extraction (38.5%), and desk research and information gathering (36.1%).

Figure 18: Workplace use of AI among AI-using workers, 2026

Share of AI-using workers by broad use case category*



* % refer to respondents who selected at least one AI use case in each category

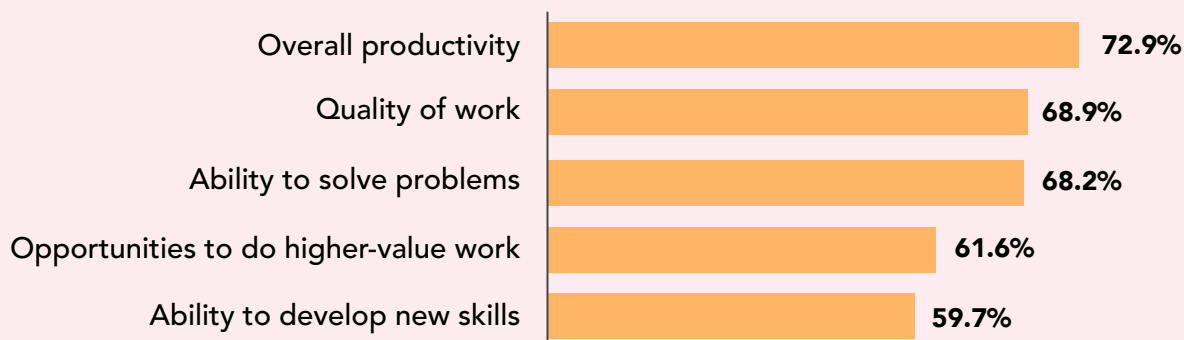
Share of AI-using workers by individual task**



** Colours correspond to the respective broad use case categories

Workers also reported a range of benefits from using AI at work, spanning immediate work outcomes and capability development [Fig 19]. Among the top five benefits cited, nearly three-quarters reported overall productivity improvements (72.9%), while more than two-thirds cited better quality of work (68.9%) and stronger problem-solving ability (68.2%). A majority also reported greater opportunities to undertake higher-value work (61.6%) and to develop new skills (59.7%).

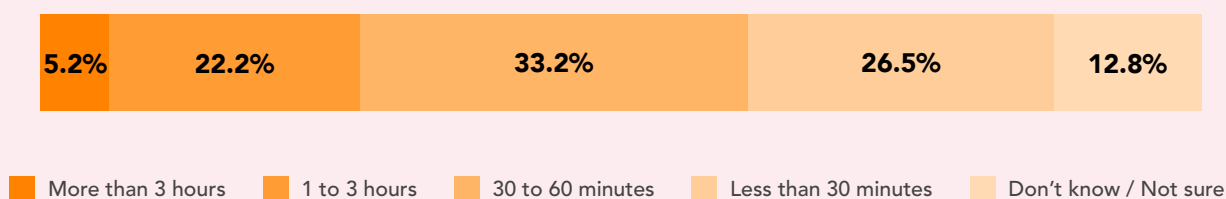
Figure 19: Perceived benefits (top 5) by AI-using workers, 2026



Source: MDDI

Among AI-using workers who also reported time savings as a benefit⁸, around 6 in 10 reported saving up to one hour per day, while 27.4% saved at least one hour, including 5.2% who saved more than three hours [Fig 20]. This suggests that for some workers, AI use is translating into meaningful reductions in time spent on their day-to-day work.

Figure 20: Time savings per day from using AI at work, 2026

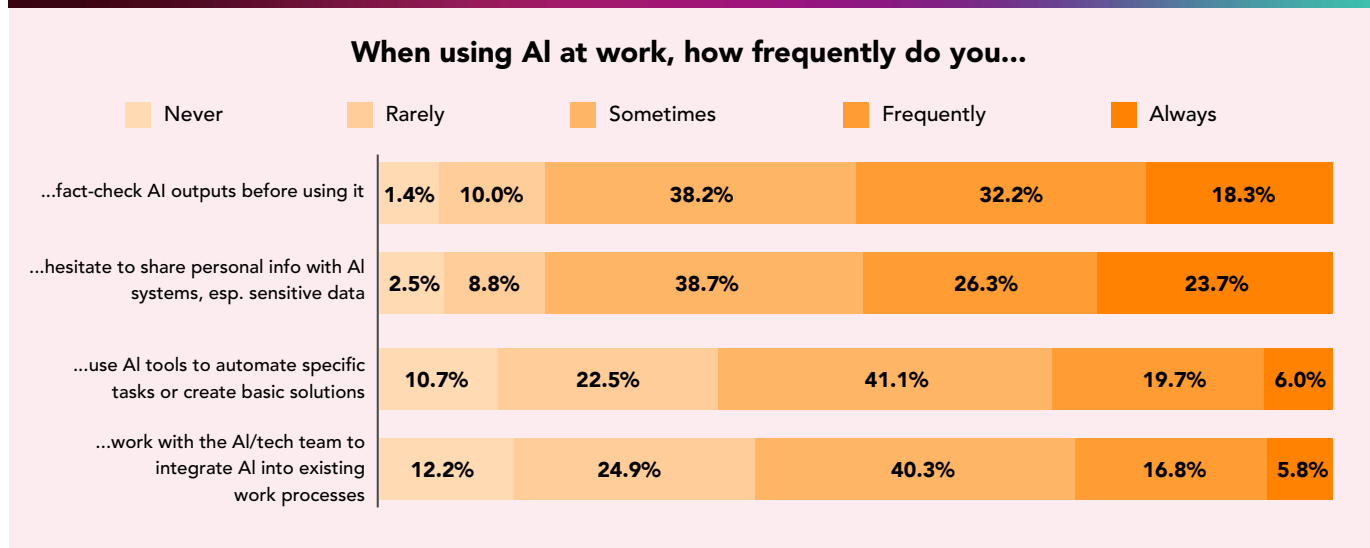


Source: MDDI

⁸ Around one third of AI-using workers indicated their time spent on tasks decreased.

Alongside the growing use of AI at work, workers displayed varying levels of proficiency while using the technology [Fig 21]. Around half of AI-using workers reported that they frequently or always fact-checked AI-generated outputs or exercised caution in sharing personal information, especially sensitive data with AI systems. In comparison, only about a quarter frequently or always used AI to automate tasks or integrate it into their workflows. Together, these practices suggest that workers are developing capabilities to use AI critically and responsibly, with further room to deepen more advanced and integrated forms of AI use at work.

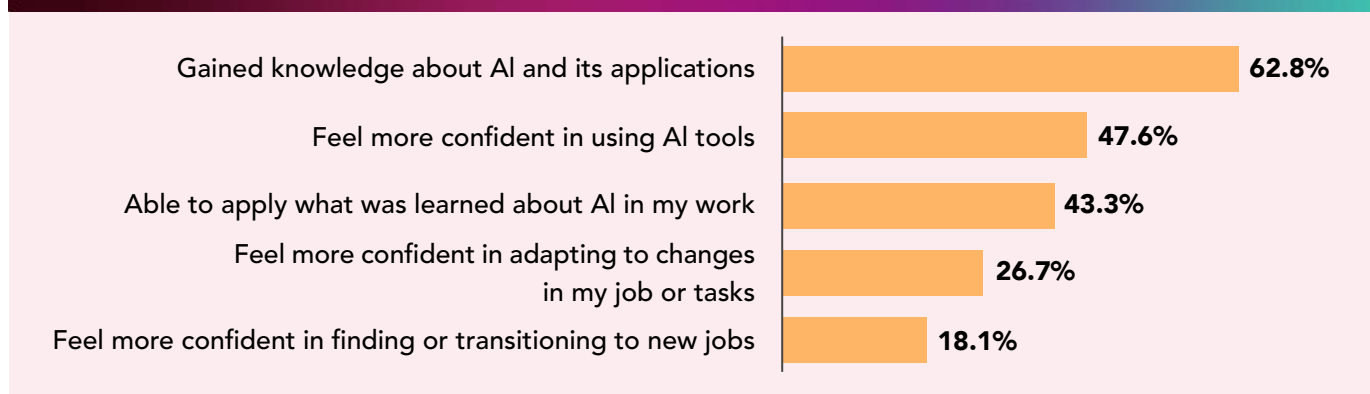
Figure 21: AI use practices among workers, 2026



Source: MDDI

AI-related training is one avenue through which workers can strengthen their capabilities in using AI. Among surveyed workers, 36.7% had attended AI-related training or courses in the past 12 months, through either employer-provided or self-sourced channels. According to workers who attended training, the most reported benefit was gaining knowledge about AI and its applications (62.8%), followed by greater confidence in using AI tools (47.6%), and being able to apply what they had learned about AI in their work (43.3%) [Fig 22]. Training also supported broader workplace adaptability, with 26.7% reporting greater confidence in adapting to changes in their jobs, and 18.1% feeling more confident in transitioning to new jobs. Overall, AI-related training could support both the practical use of AI and workers' confidence in using the technology.

Figure 22: Perceived usefulness of AI-related training among workers who attended training, 2026



Source: MDDI

While many workers recognised the need to upskill or reskill in AI, participation in AI-related training remained comparatively lower. In 2026, more than two-thirds of surveyed workers agreed they need to take up training in AI technologies, well above the share (36.7%) who had attended AI-related training or courses in the past 12 months. Among those who had not attended such training, the main barriers cited included not being sent for training by employers (34.9%), lack of time (34.1%), and not knowing how to choose the right course (26.6%) [Fig 23]. This suggests that closing the training gap may require greater employer support and clearer signposting to suitable training opportunities.

Figure 23: Barriers to attending AI-related training, 2026



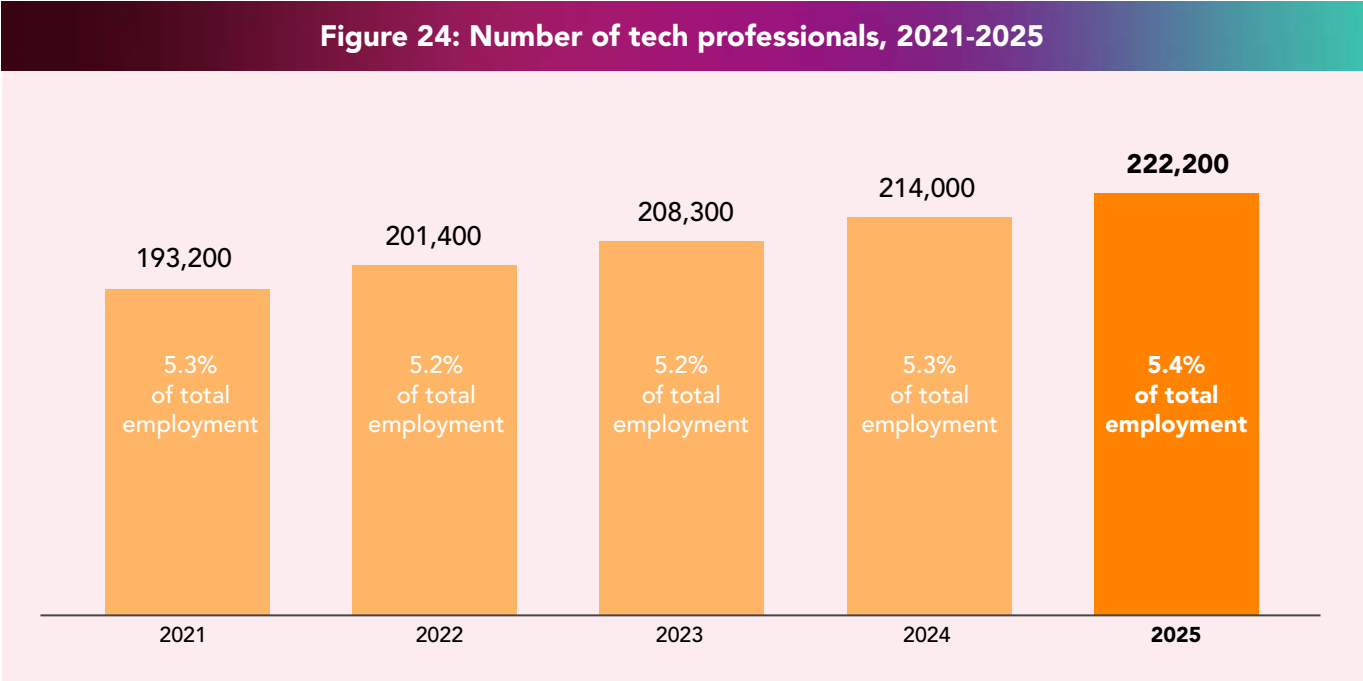
Source: MDDI





TECH MANPOWER AND TECH SKILLS

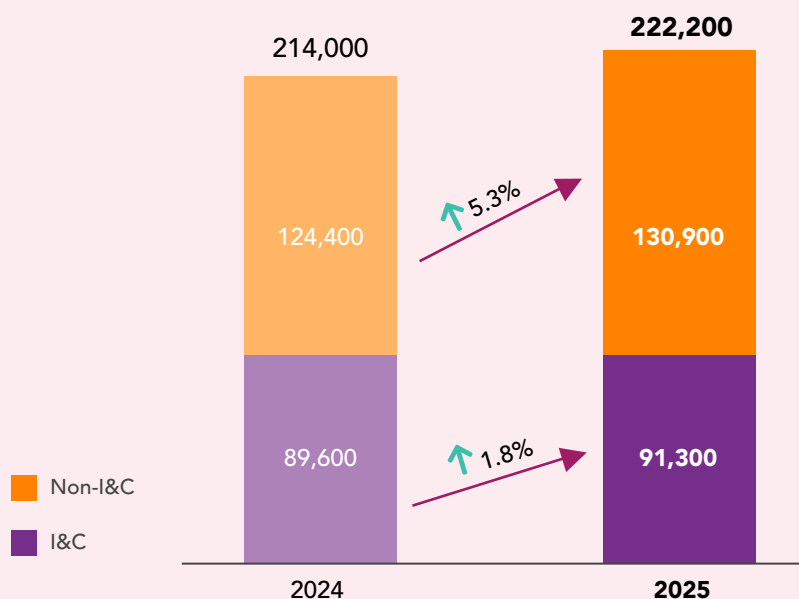
Demand for tech professionals in Singapore grew in 2025, in line with the continued digitalisation of the economy. The number of tech professionals increased by 3.8% yoy, from 214,000 in 2024 to 222,200 in 2025, extending the 2.7% yoy growth registered in 2024 [Fig 24]. As a result, the share of tech professionals in total employment rose from 5.3% in 2024 to 5.4% in 2025. Tech roles relating to AI & Data and Cybersecurity were among the fastest growing tech occupations.



Sources: IMDA, MOM

The increase in overall tech professionals was supported by growth in both the non-I&C and I&C sectors [Fig 25]. Notably, the non-I&C sector, which accounted for 59% of all tech professionals, recorded a relatively strong 5.3% yoy increase in tech employment in 2025, compared with 1.8% yoy growth in the I&C sector.

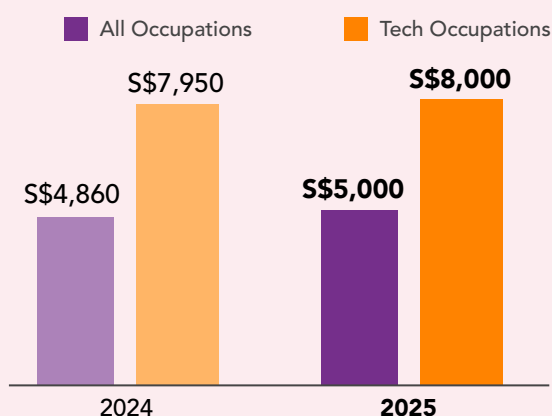
Figure 25: Number of tech professionals by sector, 2024 and 2025



Source: IMDA

Tech jobs continued to offer good wages. The median monthly wage for resident⁹ tech workers¹⁰ increased slightly from S\$7,950 in 2024 to S\$8,000 in 2025¹¹, remaining significantly higher than the overall resident median¹² monthly wage of S\$5,000 [Fig 26]. This suggests that tech roles continue to provide strong wage outcomes, supported by sustained demand for tech professionals across both the I&C and non-I&C sectors.

Figure 26: Resident median wages by occupation (S\$), 2024 and 2025



Source: MOM

⁹ Resident refers to Singapore Citizen and Permanent Resident.

¹⁰ Data for "Tech Occupations" pertains to median gross monthly wages (excluding employer's CPF contribution & bonuses) of full-time resident employees from Occupational Wage Survey, Manpower Research & Statistics Department, MOM, supplemented with data from administrative records.

¹¹ Tech occupations in 2024 are classified according to the Singapore Standard Occupational Classification (SSOC) 2020, while those in 2025 are classified according to SSOC 2024, which includes new and reclassified occupational codes for tech roles.

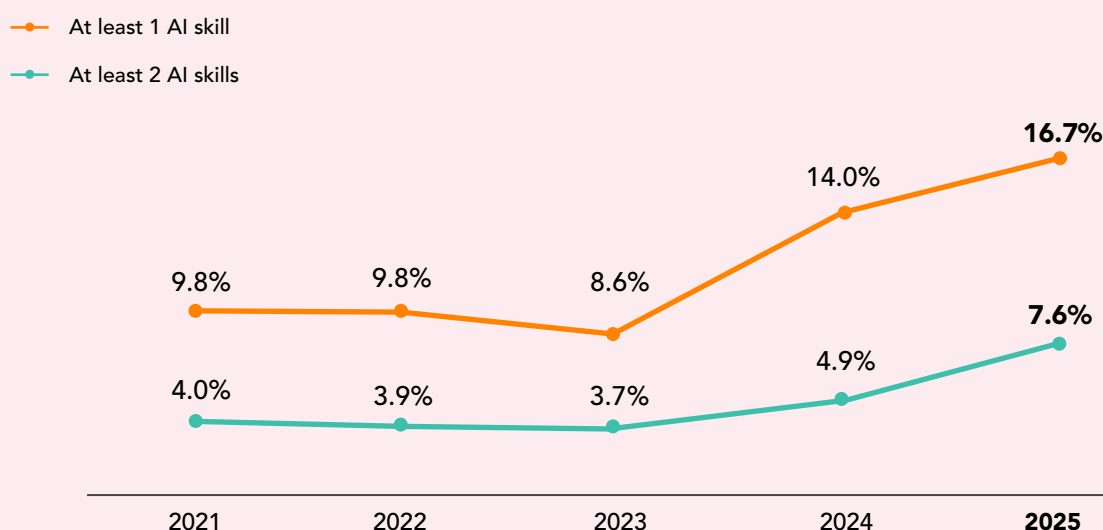
¹² "Overall resident workers" refers to residents employed in all occupations. Data for "All Occupations" pertains to median gross monthly income from employment (excluding employers' and platform operators' CPF contribution) of full-time employed residents from Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM.

AI Skills Required by Tech Professionals

Alongside the continued demand for tech professionals, firms are increasingly seeking tech workers with AI-related capabilities as AI adoption deepens across the economy.

Based on an analysis of job postings, the share of tech job postings requiring at least 1 AI skill¹³ rose from 14.0% in 2024 to 16.7% in 2025. Similarly, the share of tech job postings requiring at least 2 AI skills saw considerable growth from 4.9% in 2024 to 7.6% in 2025 [Fig 27]. These trends suggest that demand for AI capabilities among tech workers is becoming more widespread.

Figure 27: Share of tech job postings by number of AI skills required, 2021-2025



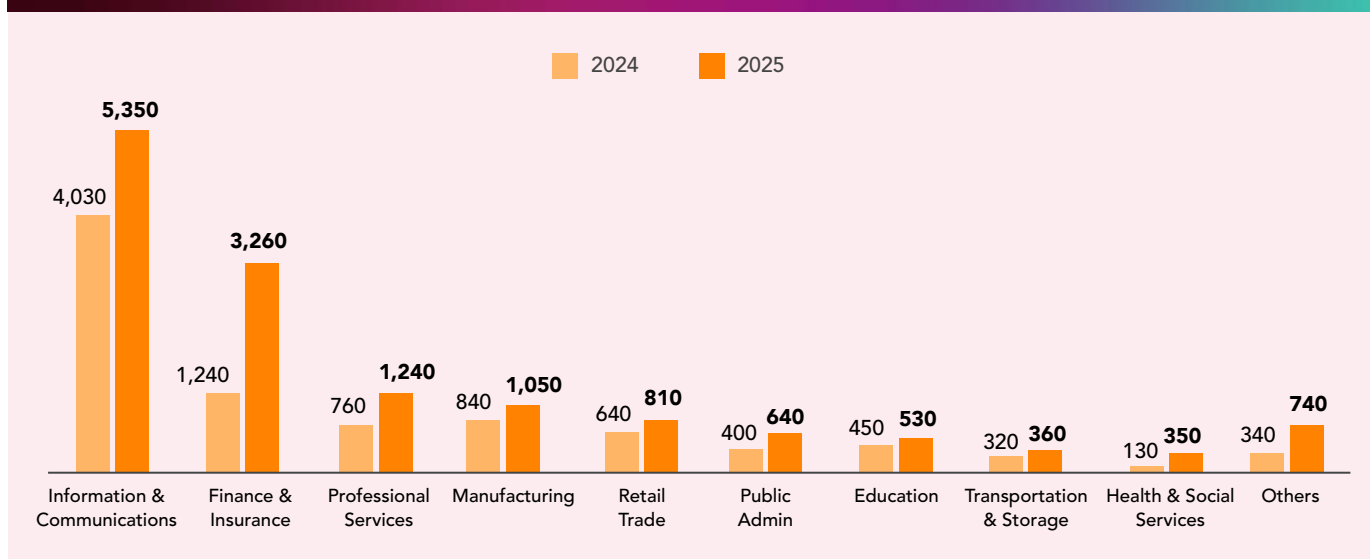
Source: IMDA's analysis on Lightcast Data, 2021 to 2025



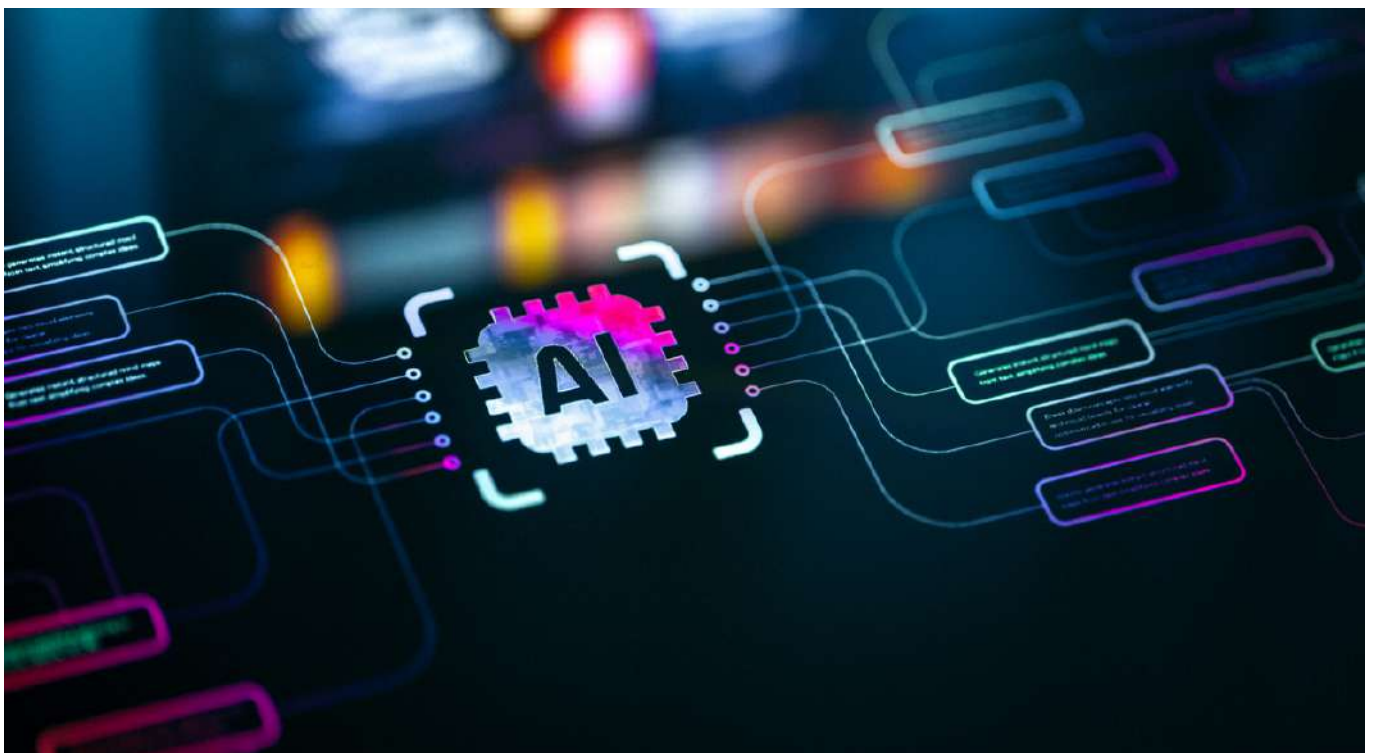
¹³ AI skills refer to specialised skills that support the development, deployment and management of AI systems, including capabilities in areas such as machine learning, natural language processing, neural networks, computer vision and robotics. These skills are also aligned with OECD's definition of AI skills.

Demand for AI skills among tech workers continued to grow across the economy in 2025, with growth observed in both the I&C and non-I&C sectors [Fig 28]. The I&C sector continued to account for the largest share of tech job postings requiring AI skills, with the number of such postings rising from 4,030 in 2024 to 5,350 in 2025. In the non-I&C sector, demand grew strongly in Finance & Insurance, where AI-related tech job postings more than doubled from 1,240 to 3,260. Professional Services and Manufacturing sectors also recorded increases in tech job postings requiring AI skills, rising from 760 to 1,240 and from 840 to 1,050 respectively. The growth in demand for AI skills among tech workers could be partly due to widespread AI adoption across the economy, including increased activity from enterprise-based AI Centres of Excellence established in Singapore, with dedicated teams driving AI transformation.

Figure 28: Number of tech job postings requiring AI skills, 2024 and 2025



Source: IMDA's analysis on Lightcast Data, 2024 and 2025





DEVELOPMENTS IN OTHER DIGITAL ECONOMY MEASUREMENTS

Different countries, organisations and academics have adopted varying definitions and measurement approaches for the digital economy, resulting in estimates that are not directly comparable. Caution needs to be exercised when comparing different estimates of the digital economy across countries.

As highlighted in the inaugural Singapore Digital Economy Report 2023, the Organisation for Economic Cooperation and Development (OECD) had proposed the development of Digital Economy Satellite Accounts (DESA) to support more internationally consistent and comparable measurement of the digital economy. In 2023, the OECD published the Handbook on Compiling Digital Supply and Use Tables (SUT), which introduced DE measurement across three aspects, namely digital industries, digital products, and the nature of the transaction. This provides the foundation for the compilation of the DESA and deepens understanding of the effects of digitalisation on the economy.

Following this, the Singapore Department of Statistics (DOS) has recently developed and compiled the first experimental set of DESA estimates, details of which are provided in the [Annex](#). These estimates provide an additional perspective on DE's contribution to Singapore's economy, complementing the existing SGDE measurement approach.

The DESA and the measurement approach adopted in the SGDE report series differ in their definitions and scope, and each therefore captures different aspects of the digital economy. Looking ahead, Singapore will continue to use the approach adopted in the SGDE reports to monitor the size and development of the DE, while tracking developments in international DE measurement frameworks, including the compilation of DESA across countries.

CONCLUSION

Singapore's Digital Economy remained a key driver of the domestic economy, contributing 19.3% to GDP in 2025, up from 18.8% in 2024. Enterprise digitalisation registered further progress, with gains in both digital adoption rate and intensity, driven mainly by SMEs.

AI adoption among enterprises continued to accelerate in 2025, with the overall adoption rate rising from 14.7% to 23.5%. The increase was broad-based, spanning firms of different sizes and sectors. Beyond adoption, firms were also progressing towards deeper use of AI and reporting tangible business benefits, particularly productivity and process improvements. Among workers, AI use became more widespread, with 85.7% of surveyed workers reporting using AI tools at work. Workers applied AI across a broad range of workplace tasks and reported benefits such as higher productivity, better work quality and stronger problem-solving ability.

The tech workforce in Singapore continued to expand, growing by 3.8% yoy to reach 222,200 in 2025, with growth driven largely by the non-I&C sectors. Demand for AI skills among tech professionals also grew across both I&C and non-I&C sectors, in tandem with rising AI adoption across the economy.

With rapid advances in AI and other emerging digital technologies, there will be new opportunities to grow Singapore's Digital Economy. IMDA will continue to work closely with government agencies, industry partners and the workforce to deepen enterprise capabilities, support workforce transformation and foster innovation, strengthening Singapore's position as a leading digital economy.



Annex

DOS's Digital Economy Satellite Accounts (DESA): Coverage and Experimental Estimates

Introduction to DESA

With the rapid expansion of digital technologies, understanding their contribution to the economy has become increasingly important. However, measuring the digital economy is not straightforward. Countries, organisations and researchers have adopted varying definitions and measurement approaches to capture different dimensions of the digital economy, making cross-country comparisons difficult.

International efforts are underway to improve the measurement of the digital economy and strengthen the consistency and comparability of estimates across countries. In 2023, the OECD published the Handbook on Compiling Digital Supply and Use Tables, while the IMF, OECD, UNCTAD and WTO jointly published the Handbook on Measuring Digital Trade, Second Edition. The Handbook on Compiling Digital Supply and Use Tables provides guidance for countries to compile Digital Economy Satellite Accounts (DESA), while the latter focuses on defining and measuring digital trade. As countries continue to develop and refine their digital economy statistics, DESA provides a useful reference framework for improving consistency and comparability over time.

DESA Coverage

DESA is a thematic account developed within the framework of the United Nations System of National Accounts (SNA)¹⁴ that provides a structured approach to measuring the digital economy. It considers three key dimensions, namely Digital Industries, Digital Products, and Nature of Transactions:



Digital Industries

Industries that produce goods and services facilitating digital transformation, or whose production is enabled by the use of digital technology within their business models or interaction with consumers.



Digital Products

Goods and services whose primary function is to fulfil or enable information processing and communication by electronic means, including transmission and display. These comprise Information and Communication Technology (ICT) goods and digital services.



Nature of Transactions

Transactions classified based on how the products are ordered and/or delivered (digitally or physically).

¹⁴ The System of National Accounts (SNA) is the internationally agreed standard for compiling measures of economic activity. It provides a coherent, consistent, and integrated set of macroeconomic accounts based on internationally agreed concepts, definitions, classifications, and accounting rules.

These elements of the DESA framework, together with digital trade, provide different lenses for understanding the digital economy within national accounts statistics. For the purpose of assessing the size of the DE, the key metric of interest is the gross value-added (GVA) generated by **digital industries**, which will be the main focus of the discussion below.

Digital Industries and Experimental Estimates

The Singapore Department of Statistics (DOS) has developed and compiled an experimental set of GVA estimates for the digital industries, based on the Handbook on Compiling Digital Supply and Use Tables. The digital industries comprise the following segments:



Digitally Enabling Industry (DEI)

Firms that produce goods and services facilitating digital transformation. These firms are from the Information and Communication Technology (ICT) manufacturing, ICT trade, and ICT services industries.



Digital Intermediation Platforms (DIPs) Charging a Fee

Firms that operate online interfaces which, for a fee, facilitate direct interaction between multiple buyers and sellers, without taking economic ownership of the goods or rendering the services that are being sold.



Data- and Advertising-Driven Digital Platforms (DADPs)

Firms operating exclusively as digital platforms, whose main source of revenue is either the sale of data produced using information collected from the platform and/or the sale of advertising services using the platform as an advertising medium.



Producers Dependent on DIPs

Units that sell most of their goods or services through DIPs, with their revenues mainly generated through DIPs.



E-tailers

Traders engaged in purchasing and reselling goods, who receive the majority of their orders digitally.



Financial Service Providers Predominantly Operating Digitally

Firms providing financial services, predominantly transacting with consumers via digital channels.



Other Producers Only Operating Digitally

Firms operating exclusively online that are not included in the above six digital industries, and only interact with consumers exclusively through digital means.

According to DOS's experimental estimates, Singapore's digital industries accounted for 23.7% of GDP in 2023, with nominal GVA reaching S\$152.7 billion, representing a CAGR of 6.7% p.a. between 2021 and 2023. DOS will publish further details on the DESA and digital trade in their upcoming Statistics Singapore Newsletter in October 2026.

Conclusion

The DESA approach covers both firms that produce goods and services facilitating digital transformation and those that use digital technologies in their production processes and business models. The DE size published in the SGDE report series, on the other hand, captures both the VA of the I&C sector and the VA generated from digitalisation across the rest of the economy.

Despite some areas of overlap, the two approaches differ in scope and methodology and are thus not directly comparable. Nonetheless, both sets of estimates underscore the significance and growth of Singapore's digital economy over time, offering complementary perspectives on Singapore's ongoing digital transformation.

While the current DESA estimates are experimental, DOS will continue to monitor international developments and improve the DESA methodology in line with emerging global practices. This includes further enhancements to data sources, refinements to definitions and scope, and ongoing engagement with other national statistical offices and international organisations.

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