

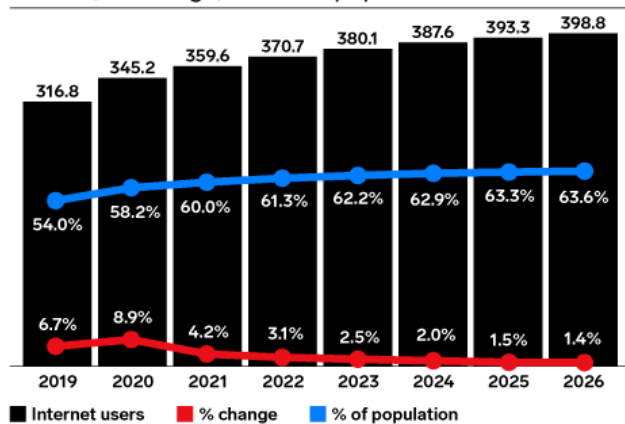
The upside for internet user growth remains high in Southeast Asia

Article

The number of internet users in Southeast Asia will grow 3.1% year over year in 2022, making it the second fastest growing region in the world. Since 2019, when 54.0% of the region's population went online, the number of internet users will increase by 53.9 million. Still, we expect, this year, 38.7% of Southeast Asia's population will not use the internet at least once per month.

Internet Users in Southeast Asia, 2019-2026

millions, % change, and % of population



Note: individuals of any age who use the Internet from any location via any device at least once per month; includes Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam

Source: Insider Intelligence, March 2022

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eMarketer | InsiderIntelligence.com

Annual internet user growth in Southeast Asia will now sit firmly in low single digits throughout our forecast period. The last time the region saw double-digit growth was 2016. Since then, internet user growth has been gradually decreasing—though it saw a once-in-a-generation bump from the pandemic in 2020. This year, internet user growth in the region will be highest in Indonesia (3.9%) and Thailand (3.2%). The overall growth rate in the region will level off to 1.4% by 2026.

Internet adoption varies widely across countries in Southeast Asia. Internet penetration among the population ranges from around 75% in the more mature economies to about 60% in the less developed ones. The underpenetrated countries offer significant upsides for digital commerce.

Southeast Asia's internet user size will be tough to ignore at 370.7 million in 2022. But it will still be dwarfed by the giants next door—India and China. The six countries in the Southeast Asia subregion will account for 14.4% of internet users in all of Asia-Pacific in 2022, compared with 39.9% in China and 25.4% in India.

Smartphones are integral for internet access

The smartphone is critical to online activities in Southeast Asia. In 2022, 88.0% of internet users in region will be smartphone users. Even so, feature phones have not yet completely disappeared: This year, nearly 3 in 10 mobile phone users in the region will be feature phone users.

Smartphone use is synonymous with internet access. We expect smartphone adoption among internet users in Southeast Asia to increase from 88.0% in 2022 to 90.1% in 2026. This year, smartphone penetration among internet users in the region will range from a high of 98.8% in Thailand to a low of 81.7% in the Philippines.

The smartphone's dominance is growing in this mobile-first region. This year, the number of smartphone users in Southeast Asia will grow faster than the number of overall mobile phone users. That means smartphones are increasingly being adopted by mobile phone users. Since the pandemic, consumers in region have embraced smartphones for a range of purposes: mobile payments, videos, gaming, ride-hailing, and food-delivery, to name a few.

Once a hot commodity, tablet user growth has hit a wall. Tablet users in Southeast Asia will grow by less than 1% annually through our forecast period. This is a vast change from years prior to 2017, when tablet user numbers registered double-digit growth annually. This slowdown is the result of the growing popularity smartphones with larger screens and low adoption rates of household broadband.

Read the full report.

Report by Man-Chung Cheung May 09, 2022

Southeast Asia Digital Users Forecast 2022

