



## Forrester: Global Tech Spend Will Reach \$4.4 Trillion In 2023 Despite A Turbulent Macroeconomic Environment

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*Software and IT services, fueled by cloud, will capture nearly two-thirds of global tech spend by 2027*

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Feb. 2, 2023-- According to [Forrester's](#) (Nasdaq: FORR) [Global Tech Market Forecast, 2022 To 2027](#), in 2023, global tech spend will grow 4.7% to reach \$4.4 trillion. The Middle East and Africa (MEA) and Asia Pacific (APAC) will experience the fastest regional tech spend growth, despite macroeconomic challenges of slowing liquidity, tight labor markets, and geopolitical turmoil. By 2027, tech software and IT services will capture 66% of global tech spend — up from 60% pre-pandemic. A boost in cloud application and platform services will aid this growth. Forrester forecasts that the [public cloud market](#) will reach \$1 trillion by 2026, capturing nearly a quarter of global tech spend.

Despite facing a difficult 2023, [tech executives](#) can accelerate their organizations' growth by both improving operational efficiency and investing in areas such as research and development, cybersecurity, and enterprise digital transformation. In 2023, Forrester projects regional tech spend growth to be:

- **5.6% in the Middle East and Africa.** By 2025, Africa's internet economy could reach \$180 billion, more than 5% of the continent's GDP, while the Saudi government plans to spend \$25 billion on tech. As cloud adoption accelerates, Nigeria and South Africa will see the potential for fast R&D investment growth over the next two years.
- **5.4% in Asia Pacific.** China's tech spend is forecasted to see at least 7% annual growth rates from 2024 to 2027. Software and IT services investment is a high priority for large Japanese companies, while India's domestic tech spend grows by 9.6% in 2023. Longer term, R&D investment will also encourage tech spend in the Asia Pacific region.
- **5.1% in North America.** Interest rate hikes, high inflation, and low real GDP growth are dampening North America's tech spend outlook. In 2023, [US tech spend growth](#) will be 5.4% — down from 7.4% the year prior. Yet North American tech purchases are expected to grow between 5.6% to 5.8% from 2024 to 2027 due to increased R&D investments.
- **3.6% in Europe.** High inflation and weak business confidence will persist in the region. Additionally, the UK, Italy, and Germany will all see unemployment rates rise as their economies fall into recession. Tech purchases are forecasted to grow, however, between 4.8% and 5.5% from 2024 to 2027, enabled by enterprise cloud adoption.

"Despite macroeconomic uncertainty, global tech spend will surpass more than \$4 trillion in 2023, as technology remains crucial for businesses," said Michael O'Grady, principal forecast analyst at Forrester. "Over the next five years, we anticipate tech spend growth to increase even further globally. Factors including increased R&D investment in the Middle East and Africa, Asia Pacific, and North America; companies in APAC investing more in software and IT services; and accelerated cloud adoption in MEA and Europe will all continue to drive tech spending."

### Resources:

- Read Forrester's [Global Tech Market Forecast, 2022 To 2027](#) report (client access required).
- [Learn more](#) about Forrester's forecast for global tech spend through 2027.
- [Learn which](#) actions tech executives can take to navigate the current economic downturn.
- [Explore](#) Forrester's Planning Guide 2023: Technology Executives report.

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