Forrester: Global Tech Spend To Grow 5.3% In 2024, Reaching $4.7 Trillion

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The Asia Pacific region will see the fastest growth; six countries forecasted to have the largest GDP growth are in Asia

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Jan. 18, 2024-- Forrester's (Nasdaq: FORR) Global Tech Market Forecast, 2023 To 2027, reveals that as economic conditions continue to improve, technology spend will grow 5.3% in 2024 — up from 3.5% in 2023. Two factors will primarily contribute to this growth: Increased spending on software and IT services, including generative AI (genAI), cloud, security, and digital, and economic growth in Asia Pacific. By 2027, software and IT services will capture 69% of global tech spend, with investments in genAI software predicted to reach $227 billion by 2030 at a 36% compound annual growth rate. Asian countries, especially India, the Philippines, Vietnam, Indonesia, Malaysia, and China, will see the fastest tech spend growth in 2024.

Global tech spend is expected to reach $4.7 trillion in 2024, with growth occurring across all regions:

- **Asia Pacific will grow 5.7%.** India is one of the largest exporters of technology services: IT exports will reach $194 billion in 2023, and total technology and service industry revenues could reach $350 billion by 2025.
- **North America will grow 5.4%.** Software and IT services will capture 60% of US tech spend in 2027, up from 53% in 2018. Financial services and healthcare will see the fastest tech spend growth in 2024, with more modest growth in retail, manufacturing, transportation, and logistics.
- **Europe will grow 5.1%.** After a challenging 2023, the European economy will recover in 2024 to grow almost double the rate compared to the previous year. Longer term, European tech spend will see 5.1% to 5.7% growth from 2024 to 2027, driven by higher enterprise digital maturity and more advanced cybersecurity adoption.

"Technology companies faced significant economic headwinds this past year, but 2024 promises a better outlook," said Michael O'Grady, principal forecast analyst at Forrester. "Asia will see the fastest economic growth due to India's growing IT export market as well as significant investments in tech innovation. Similarly, in the US, heavy investments in emerging technologies through the development of three primary CHIPS and Science Act agencies will fuel tech spend growth. In Europe, greater investment in cybersecurity and the EU's Coordinated Plan on AI will help the region bounce back. Demand for cloud and AI is strong across all regions, with genAI expected to boost the tech market over the next three years."

Resources:

- Read Forrester's Global Tech Market Forecast, 2023 To 2027 (client access required).
- Learn more about Forrester's Global Tech Market Forecast, 2023 To 2027, in this blog.
- Read Forrester's US Tech Market Forecast, 2023 To 2027 (client access required).
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- Read Forrester's European Tech Market Forecast, 2023 To 2027 (client access required).
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