



Forrester: Global Tech Spend To Surpass \$4.9 Trillion In 2025

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Generative AI, cybersecurity, and cloud solutions are poised to drive growth by 5.6% in 2025, up from 4.6% in 2024

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Feb. 12, 2025-- [Forrester](#) (Nasdaq: FORR) projects that global technology spend will grow by 5.6% in 2025 to reach \$4.9 trillion — up from \$4.7 trillion in 2024 — reflecting a significant acceleration. Key growth drivers include the rapid adoption of software, IT services, generative AI (genAI), and cloud technologies. Asia Pacific and North America are expected to see the most rapid growth.

According to Forrester's [Global Tech Market Forecast, 2024 To 2029](#), software and IT services combined will account for 66% of global technology spend in 2025, fueled by increased investment in cybersecurity solutions and the modernization of legacy systems. Software alone will grow at a rate of 10.5% and is expected to capture 60% of global tech spend growth by 2029, making it the fastest-growing tech sector.

The report further states that investments in generative AI will drive industry-specific growth. For example, industries including financial services, retail, and media will increasingly adopt AI-enabled tools to enhance customer experiences and operational efficiency. This growth in genAI investments will subsequently force businesses to reposition their workforce, compete for tech talent, and lower technical debt.

Noteworthy highlights from the report include:

- **Asia Pacific tech spend will grow 5.6% in 2025.** The region will witness a surge in real GDP growth that far exceeds the global average, led by countries including India, the Philippines, Vietnam, and Indonesia. Government initiatives in China and India, and increased investment in generative AI and semiconductors in Japan and South Korea, will help drive tech spend. India will see the fastest growth, with tech spend expected to increase by 9.6% in 2025.
- **North American tech spend will grow by 6% in 2025.** Excluding staffing costs, US tech spend will exceed \$2 trillion for the first time in 2025, with 63% driven by financial services and insurance, government, media and information, and professional and business services. The US leads with 41% of global tech spending and 46% of AI software spend, underscoring its domination in generative AI and cloud computing adoption.
- **European tech spend will grow by 5% in 2025.** European tech spend will exceed \$1.5 trillion for the first time in 2025. Software and IT services will capture 78% of tech spend in Europe by 2029 — up from 68% in 2016 — as enterprises spend more on cloud, security, generative AI, and the digital economy. More than 40% of European tech spend comes from financial services, media and information, and professional and business services.

“Over the next five years, technology investments will reshape industries at an unprecedented pace,” said Michael O’Grady, principal forecast analyst at Forrester. “GenAI, cloud technologies, and cybersecurity will take center stage, transforming how businesses operate and deliver value. Companies that prioritize these investments will not only strengthen their competitive edge but also achieve sustainable growth, but it’s important that they also balance their rapid tech investments with ongoing efforts to manage legacy systems and reduce technical debt.”

Resources:

- Read more about Forrester’s Global Tech Market Forecast, 2024 To 2029, in this [blog](#) or download the report [here](#) (client access required).
- Read more about Forrester’s US Tech Market Forecast, 2024 To 2029, in this [blog](#) or download the report [here](#) (client access required).

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