Forrester's 2026 European Predictions: Despite Europe's Push For Regulatory Simplification And Digital Sovereignty, U.S. Tech Dominance Will Prevail

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LONDON--(BUSINESS WIRE)--Oct. 8, 2025-- According to Forrester's (Nasdaq: FORR) 2026 European Predictions, unveiled today at Forrester's Technology & Innovation Summit EMEA in London, while European firms will intensify the quest to reduce their dependence on global resources and achieve sovereignty over their technology stack and digital platforms, no European enterprise will shift entirely from US hyperscalers in 2026.

Geopolitical tensions, ongoing volatility, and the impact from new legislative acts like the European Green Deal, and the rollout of the EU AI act will prohibit European enterprises from experimenting with high-risk use cases, resulting in continued reliance on U.S. hyperscalers, including AWS, Microsoft Azure, and Google Cloud.

Key highlights from Forrester's 2026 European Predictions include:

- **Consumers' daily use of generative AI in Europe will double, but enterprise adoption will lag behind the US**. As AI becomes ubiquitous, consumers' daily use of AI will double in most European countries in 2026. However, due to tighter European Union regulations, and less mature AI capabilities, European firms will lag their US counterparts on AI adoption. With lighter regulation and fewer language barriers, the UK will buck both trends.
- **Defence spending will drive a 20% technology budget uplift for EU critical infrastructure operators.** In June 2025, NATO members pledged to raise defence spending to 5% of GDP, with 1.5% earmarked for "enabling" infrastructure. Forrester predicts public-sector bodies and critical infrastructure operators will see tech budgets rise by 20% next year.
- **The UK AI strategy will drive public sector productivity but erode government trust.** The UK government's enthusiasm for US AI tech through partnerships with Anthropic and Open AI, refusal to sign international agreements on AI governance, and lack of interest in passing binding AI regulation will erode UK citizen trust in the government.

"The European Union is making a concerted effort to become more competitive and reduce its dependence on global tech infrastructure," said Dane Anderson, SVP, International Research & Product at Forrester. "However, the reality is that ongoing volatility and operational constraints will compel European businesses to pursue more pragmatic strategies in both the long and short term. Forrester's predictions are designed to help European leaders analyse the dynamics and emerging trends to watch for in the year ahead. These insights will then prepare them for future challenges and enable them to take advantage of new opportunities to thrive in 2026."

Forrester has also released its 2026 Predictions for Artificial Intelligence, Tech Leadership and Cybersecurity & Risk. Forrester's 2026 Predictions will also be discussed in a keynote session at Technology & Innovation Summit EMEA on 9th October, 2025.

Resources:

- Explore Forrester's 2026 predictions for Artificial Intelligence, Europe, Cybersecurity and Risk, and Tech Leadership (client access required).
- View the full agenda and speakers for Technology & Innovation Summit EMEA.
- Follow Forrester on Linkedin and #ForrTech for updates.

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