



AI & data opportunity underpin optimism in the global tech sector amid geopolitical and regulatory headwinds

Global law firm DLA Piper has today shared its comprehensive report on the global technology sector, based on feedback from 1,200 industry executives, investors, and government and regulatory officials across North America, Latin America, Middle East, Europe, Africa, and the Asia Pacific Region.

The report reveals that, despite ongoing geopolitical instability, the tech industry remains highly optimistic about its growth prospects, with two-thirds of organizations expecting revenue increases in the coming 12 months, and 40% anticipating growth of more than 6%.

The overall indexed score, reflecting the survey's quantitative findings as a whole, has grown three points to 71 since the previous survey in 2022, signaling growing confidence across the sector.

Key findings:

- **AI as a growth frontier:** 63% respondents recognize AI as most important frontier for growth
- **Data monetization opportunity:** 98% organizations see data monetization as a growth opportunity
- **Hurdles remain:** only 38% of organizations, however, employ data scientists, and AI adoption is rarely driven by CEOs
- **Cyber security and ESG:** Over half of respondents prioritize ESG and feel secure from cyber threats, but 76% lack a comprehensive ESG framework, and over half do not have strong digital security measures

Regional insights:

- **North American (78%)** and **European (74%)** organizations were most likely to forecast revenue growth in the next year
- **African (44%)** and **Middle Eastern (40%)** organizations shared less optimism, predicting no revenue increase

The report, DLA Piper's Tech Index: Riding the next big wave, is available in full at [LINK]. The full report takes a deep dive into geopolitical and economic headwinds; 5G and infrastructure; cyber security; Internet of Things; the fintech landscape; the AI opportunity; and ESG and ethics. It's findings feature commentary from across DLA Piper's global footprint with market, legal and commercial insights.

Report highlights:

AI – A Pillar of Future Success

Artificial Intelligence has truly cemented its place as a critical element of tech sector strategy. The report shows that 71% of global decision-makers believe AI will significantly contribute to their business success over the next five years. Where only 9% view cost as a prohibitive factor, 91% consider the investment justifiable, with 58% already managing it effectively. However, challenges remain, with 32% of respondents citing data privacy and security concerns, 29% pointing to regulatory and legal compliance issues, and 28% highlighting ethical implications. While North American respondents were among the most likely to see AI as important or very important for their business (73%), they are also the most likely to cite a lack of staff expertise as a challenge (28%), showing a stark and perhaps unlikely skill gap.

ESG and Ethics – Human Considerations in a Digital Landscape

Environmental, Social, and Governance (ESG) considerations are increasingly significant within the tech sector. The report highlights that global decision-makers almost universally agree on the need for more action on ESG issues (98% global respondents). However, only 40% of organizations currently operate under a comprehensive ESG framework, and 16% lack any formal structure whatsoever. While half of the companies surveyed adhere to self-imposed sustainability targets and demand increased accountability from their suppliers, the findings point to the need for further investment in energy-efficient technology, better reporting on transition plans, and the elevation of sustainability to a board-level responsibility. On average just under 50% of respondents cite ESG issues as becoming more of a priority, with African organizations at the top of the scale with 67%. In contrast, LATAM organizations are the most likely to have deprioritized ESG (36%).

5G – A Growing Sense of Security

The report also explores evolving perceptions of 5G technology. A strong majority of 83% of decision-makers now express confidence in the measures taken to ensure national security related to 5G infrastructure. However, there are calls for tighter regulatory controls around infrastructure, better monitoring of supplier risks, and increased investment in domestic suppliers to further bolster security. Additionally, 53% of respondents support imposing a market share cap on non-domestic suppliers to safeguard national interests. As a growth

opportunity, Middle Eastern respondents were the most likely to cite both 5G (68%) and cyber security (64%) as a top subsector.

International Divergence and Headwinds

In the context of post-Brexit challenges, the report examines the impact of international relations on the UK's tech industry. Key concerns identified include anticipated issues with contracts between EU and UK businesses (32%), a lack of legislative alignment (24%), and reduced access to talent (23%). The industry's response to these challenges will be crucial in maintaining its global competitiveness. Elsewhere, European (66%) and APAC (68%) organizations take the least positive view on their regions' economic headwinds facilitating growth, with North American (72%) reflecting most positively on their current venture/capital markets model as a growth catalyst. APAC (47%) respondents took the strongest view on the impact of Geopolitics on growth.

About DLA Piper

DLA Piper is a global law firm helping our clients achieve their goals wherever they do business. Our pursuit of innovation has transformed our delivery of legal services. With offices in the Americas, Europe, the Middle East, Africa and Asia Pacific, we deliver exceptional outcomes on cross-border projects, critical transactions and high-stakes disputes.

Every day we help trailblazing organizations seize business opportunities and successfully manage growth and change at speed. Through our pro bono work and community investment around the world, we help create a more just and sustainable future. Visit dlapiper.com to discover more.